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ANNUAL REPORT 1946-47

The AGRICULTURAL PRICES SUPPORT BOARD

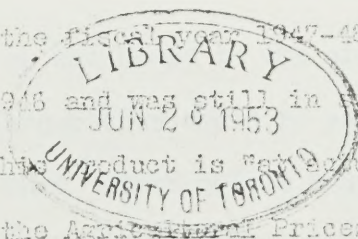
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The Agricultural Prices Support Act was assented to on August 25, 1944.

Up to the end of the fiscal year 1945-46 the work of the Agricultural Prices Support Board, established under the Act, consisted mainly of keeping informed with regard to the course of agricultural prices, determining the broad lines of Board policy and, in co-operation with the Agricultural Prices Economics Division of Marketing Service, originating research studies along appropriate lines.

On April 1st, 1946, Section 9 of the Act conferring operating powers on the Board was proclaimed. At that time new provision had to be made for the financing of the various export contracts being administered by the Meat Board, the Dairy Products Board and the Special Products Board as the War Appropriation Act, under which the necessary working capital had previously been provided, was not being renewed for the fiscal year 1946-47. As the contracts have the effect of establishing floor prices in Canada for the products concerned, it was considered appropriate that they be financed from the Agricultural Prices Support Fund. To this end the Agricultural Prices Support Board was authorized by Order in Council to appoint as its agents the above-mentioned Commodity Boards.

No change in the membership of the Commodity Boards or in the general administration of the contracts was involved. An account of the activities of each of the three Boards is to be found elsewhere in this report. The net effect on the fund of the Commodity Boards' transactions was a loss of \$61,652.19. This loss will be somewhat more than offset by the sale, in the fiscal year 1947-48, of six million pounds of bacon which was purchased in 1946 and was still in store at 31st March, 1947. The year end inventory value of this product is "actual cost thereof", in accordance with Sub-section 10(4) of the Agricultural Prices Support Act. The product is deliverable on the British contract at \$2.10 per 100 pounds more than cost. Therefore, if the whole transaction could have been com-



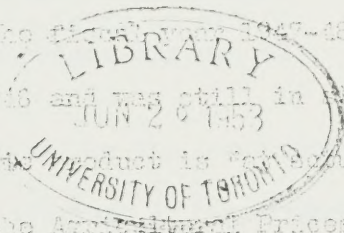
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Potato Price Support Program

On October 1st, 1946, representations were made to the Board to the effect that the potato crop in the five eastern provinces was larger than could be readily absorbed by the prospective domestic and export demand; that potato prices had



fallen by about forty per cent from the level of the year earlier; and that further serious losses were in prospect for potato growers unless effective price support could be provided.

In discussions with representatives of the potato growers and officers of the Governments of five provinces, it was agreed that if support measures were applied in respect to potatoes in New Brunswick and Prince Edward Island, where the surplus existed, the price of potatoes in Eastern Canada generally would be strengthened. Therefore, the following program was adopted, and its direct application was limited to the Provinces of Prince Edward Island and New Brunswick;

1. Disposal of potatoes for starch making.
2. Increased exports of seed potatoes.
3. Publicity to increase consumption of potatoes in Canada.
4. New Export outlets.
5. A guaranteed price at which the Agricultural Prices Support Board would accept delivery of potatoes remaining unsold in the Spring of 1947. The tentative delivery date was set at May 1st.

Order-in-Council P.C. 4295 of October 17th passed on the recommendation of the Agricultural Prices Support Board to purchase potatoes in New Brunswick and Prince Edward Island during the crop year 1946-47 at the following prices:

- (1) For potatoes delivered to the Board after April 30th, 1947 or earlier at the direction of the Board, \$1.00 per 40 lb. bag (or 800 per bushel), on car at shipping point, bagged, tagged, and inspected; with appropriate differentials, to be determined by the Board, for potatoes delivered, at the direction of the Board, in bulk or otherwise than on car at shipping point;
- (2) For potatoes delivered for processing, \$1.65 per barrel at the factory for Canada No. 1 grade, with appropriate differentials, to be determined by the Board, for lower grades.

Later, provision (1) of the Order was also made applicable to a commercial potato area in the Province of Quebec comprising the Counties of L'Islet, Kamouraska, Temiscouata, Rimouski, Matapedia and Matane.

Although one of the two largest potato starch plants was destroyed

J.B. Munro, Deputy Minister of Agriculture for British Columbia, Victoria, B.C.
E.J. Chambers, President, Associated Growers of British Columbia, Victoria, B.C.
O.S. Longman, Deputy Minister of Agriculture for Alberta, Edmonton, Alberta.
L.E. Harris, Director of the A.F.U., Regina, Saskatchewan.

F.O.B. steamer. This, coupled with a stronger demand from the United States and substantial exports to Portugal and Brazil, had the effect of maintaining the price of potatoes well above the Board's support price for spring delivery. It therefore appears that the total cost of the program will not extend beyond the loss taken on table stock potatoes diverted to starch manufacture.

General

With the organization phase of the Board's activities completed, the interim members, Mr. A. M. Shaw and Dr. J. F. Booth, both officers of the Department of Agriculture, were replaced by Mr. Erle Kitchen, farmer of Woodstock, Ontario, and Mr. J.A. Proulx, farmer of Quebec.

The Board held twelve meetings during the year, several of which were for the purpose of receiving delegations representing producers. In addition the Chairman and other members of the Board attended a number of meetings of farmers' organizations.

Toward the close of the fiscal year, the Advisory Committee of the Board was appointed. The following are the names of the committee:

- H.E. Hannon, President, Canadian Federation of Agriculture, Ottawa, who will be Chairman of the Committee by virtue of his office and will not represent any particular section or interest.
- F.B. Munro, Deputy Minister of Agriculture for British Columbia, Victoria, B.C.
- E.J. Chambers, President, Associated Farmers of British Columbia, Victoria, B.C.
- G.S. Longman, Deputy Minister of Agriculture for Alberta, Edmonton, Alberta.
- L.E. Pharis, Director of the A.F.U. and A.F.A., Regina, Alberta.
- H.M. Hartnett, Deputy Minister of Agriculture for Saskatchewan, Regina, Sask.
- George Wright, President of U.F.C., and President of Saskatchewan Federation of Agriculture, Borden, Sask.
- W.J. Parker, President, Manitoba Pool Elevators Limited, Winnipeg, Manitoba.
- F.W. Downing, Manager, Canadian Live Stock Co-operative (Western) Ltd., St-Boniface, Manitoba.
- G.D. Graham, Deputy Minister of Agriculture for Ontario, Toronto, Ontario.

E.B. Yarnall, Vice-President, Ontario Farm Cattle Producers Association,
Toronto, Ont.

J.A. Martin, President, Quebec Chamber of Agriculture, Montreal, P.Q.

Henri Dubois, Department of Agriculture, Quebec, P.Q.

J.M. King, Deputy Minister of Agriculture for New Brunswick, Fredericton, N.B.

Harry Goodwin, Director of N.E. Poultry Growers' Council, Guelphville, N.B.

J.L. King, Deputy Minister of Agriculture, Nova Scotia, Halifax, N.S.

J.H. King, Deputy Minister of Agriculture for Prince Edward Island, Charlottetown,
P.E.I.

[illegible]

APPLE PRICE SUPPORT PROGRAM:

It became apparent in the late Summer of 1947 that the Canadian apol-
 ogy would satisfy the requirements of the Government of Canada, as the Government

ting to agricultural prices. This staff, and other members of the Agricultural Economics Division, were also available for such field investigations, as the Board might require.

The Board was also active during the year in the investigation of such conditions as might result in the occurrence of a condition of oversupply. Considerable attention was given to the production and marketing prospects for wool in the early months of the year, but it was felt that the 1941 crop would be satisfactorily disposed of without any intervention of the Board.

Wool Marketing Program:

The program for the marketing of wool in 1941 was brought to a satisfactory conclusion. Under the terms of the program, the Board was authorized to advance any payments which might be required by the wool growers of the province up to a total of \$1.00 per lb. of wool. At that time the Board considered it was not necessary to advance any payments to the wool growers. The total cost of the program was \$1,171,444.48; of this amount \$1,171,444.48 was spent on the advance of the wool growers to process their wool and \$23,070.82 was spent on storage and other charges in connection with the contract for wool to the United Kingdom.

Wool Marketing Program:

It became apparent in the late Summer of 1941 that the Canadian wool crop would exceed the requirements of the Canadian market. As in previous years, the production in Ontario and Quebec was somewhat less than the requirements of the markets in those provinces while there was a substantial surplus for export in the remainder of the province. However, in British Columbia the production fell below that of 1940 by about the equivalent of the amount which British Columbia had shipped to Great Britain in the previous year. Therefore, the surplus was largely confined to the province of Ontario.

WVED

With no market available in Great Britain, the defendant was motivated by the fact that Nova Scotia varieties which had customarily gone to that market were not the most acceptable in either the Canadian or United States markets.

The remainder of the crop was directed to processing plants for conversion into such products as apple sauce, solid fruit or seed and/or concentrated

definite Government assistance. The Board, therefore, with the approval of the Governor in Council, guaranteed a return to Nova Scotia growers of \$9.25 per barrel. The Nova Scotia Apple Marketing Board was created as an arm of the Agricultural Prices Support Board, and established and conferred on the provincial Board to control the movement of apples out of the designated area in the Annapolis Valley. This was to be done by the Nova Scotia Apple Marketing Board to continue its established practice of controlling the time and time of delivery of apples by producers and allowing initial and final payments as first delivery. The Board was to be responsible for the same price and quality delivered to the same destination.

While the Apple Marketing Board was in operation, it was still the largest possible share of the total crop. The Board was organized from the time the apple harvest began in the month of September and continued until the market was usually available. The growers of the province and the Board were in a situation where the Board could not deliver the apples to the market in the form of the crop. In addition, the Board was responsible for the Nova Scotia varieties for the domestic market. It is probable that a considerable part of the crop would be processed. Indeed, the Board was in a position, as these figures show, to process 300,000 bushels of apples and more than 1,400,000 barrels.

The remainder of the crop was directed to processing plants for use in such products as apple sauce, apple juice, and apples, and was used in apple concentrate. At the end of the fiscal year, the quantities of these products on hand were equivalent to approximately 300,000 barrels of fresh apples. With that quantity of unsold product on hand, the Apple Marketing Board was unable to complete payments due to producers and processors and to liquidate its bank loans.

An advance payment of \$1,000,000.00 was made to the Apple Marketing Board by the Agricultural Prices Support Board. At the end of the fiscal year substantial amounts were still due producers and processors which could only be liquidated by the sale of the product on hand at current prices or by further advances from the Agricultural Prices Support Board. Prospects of selling all of the product on hand at current prices were not promising. It appeared almost certain, therefore, that further payments would be made by the Agricultural Prices Support Board and that export outlets for a good part of the product would have to be found.

ADVISORY COMMITTEE:

The Advisory Committee of the Board, representative of agricultural interests across Canada, held two series of meetings, one in April and the other in October. The Committee was not limited in its discussions to matters relating directly to agricultural prices; the discussion, and recommendations, touched on many phases of agricultural policy.

EXPENDITURES:

The administrative costs of the Board during the year 1947-48 amounted to \$24,808.19, made up as follows:

Salaries		
Board members	\$1,113.31	
Advisory Committee	4,982.20	
Staff	2,202.42	3,497.93
Telephone, Telegraph and Postage		214.73
Printing and Stationery		151.22
Miscellaneous		26.85
		<u>\$24,808.19</u>

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ANNUAL REPORT
THE AGRICULTURAL PRICES SUPPORT BOARD
1948 - 49



THE AGRICULTURAL PRICES SUPPORT BOARD

ANNUAL REPORT TO THE MINISTER OF AGRICULTURE FOR THE YEAR 1948-49

Board Members:

J. G. Taggart, Chairman
Erle Kitchen, Vice-Chairman
J. A. Proulx

Secretary:

A. L. Stevenson

ANNUAL REPORT - 1948-49

THE AGRICULTURAL PRICES SUPPORT BOARD

As in the other years since the passing of the Agricultural Prices Support Act farm prices as a whole remained at such a level that no general program of direct price support was necessary. The satisfactory price level was of course due in part to the contracts under which the United Kingdom continued to purchase wheat, bacon, cheese and eggs, in quantities sufficient to absorb all of the production of those commodities surplus to domestic needs. Price support programs under the Agricultural Prices Support Act were initiated during the year in respect to four commodities only: Nova Scotia Apples, British Columbia Apples, Ontario Dried Beans and Maritime Potatoes. In each case the program was restricted to the product of the 1948 harvest. Net operating loss during the year amounted to \$3,473,294.99.

The following are the products assisted under the Act since it came into force and the amount expended in each case to March 31st, 1949:

<u>PRODUCT</u>	<u>AMOUNT</u>
Potatoes grown in Prince Edward Island and in designated areas of New Brunswick and Quebec in 1946	\$ 170,748.48
Apples grown in designated areas of Nova Scotia in 1947	3,119,274.22
Potatoes grown in Prince Edward Island and designated areas of New Brunswick in 1948	---
Apples grown in designated areas of Nova Scotia in 1948 - to a maximum of 700,000 barrels	1,443,808.89

PRODUCT

AMOUNT

Apples grown in designated areas of British Columbia in 1948 - to a maximum of 250,000 boxes

Dried White Beans grading Canada No. 1 and Canada No. 2 grown in 1948 in Ontario

\$ 148,155.00

Extracted Honey produced in Canada in 1948 - to a maximum of 5,000,000 pounds

—

Nova Scotia Apples - 1947 and 1948:

The end of the fiscal year 1947-48 found the Board in possession of a considerable quantity of processed apples which had been acquired under the support program for the Nova Scotia apple crop of 1947. They could not be sold in Canada except at prices which would have spoiled the market for producers in other provinces, and foreign buyers could be found for only part of the supply. Distribution of a portion of the stocks was therefore made to the Department of Veterans' Affairs and other Government services and to institutions such as hospitals; the receiver paid the cost of distribution only. The remaining stock, consisting of some 187,000 cases of apple sauce, was given to the British Ministry of Food, which paid the cost of inland and ocean transportation to the United Kingdom. The total cost to the Board of the 1947 Nova Scotia apples program was \$3,119,274.22

The situation in 1948 was not unlike that of 1947 except that the crop was lighter (743,755 bbls. as compared with 1,210,454 bbls.) This was due in part to the Government sponsored program for the removal of

trees bearing the less marketable varieties and in part to unsatisfactory growing conditions. Once again, in order to prevent a glut on Canadian markets and to enable the growers to continue to maintain their orchards, assistance was granted under the Agricultural Prices Support Act. Under the program the Board agreed to purchase 70 per cent of the crop and to leave in the growers' hands for disposal the estimated 30 per cent which would grade below Government standards. The prices paid for the apples purchased by the Board were: \$3.90 per barrel for apples sold by the Board as fresh apples, \$2.50 per barrel for apples directed to processing plants; it was estimated that these prices would yield the growers about the same average return per barrel as they received under the 1947 program. As in 1947, the Board designated the Nova Scotia Apple Marketing Board to act as its agent in the carrying out of this program.

Maritime Potatoes, 1948:

The potato crop in Canada amounted to an estimated 92,100,000 bushels in 1948 as compared with 75,190,000 bushels in 1947 and a five-year average of 77,910,000 bushels. It was apparent that the domestic market could not absorb the whole crop and exports to the United States were under restriction because there was also a surplus of potatoes in that country. By taking measures to support the price of potatoes in the Maritime areas normally contributing most heavily to the interprovincial and export movement it was considered that the market in other parts of Canada would be strengthened, and the program as adopted did in fact have that effect.

Commercial production of starch was sufficient to meet existing demand and it was not, therefore, considered feasible to relieve the potato market by diverting table stock potatoes into processing plants, as had been done under the program for Maritime potatoes grown in 1946. After consultations with representative growers and dealers and with officers of Provincial governments the Board obtained authority from the Government to purchase potatoes in growers' bins on and after April 1st. The approved offering price was \$1.15 per 100 lbs. of Canada No. 1 potatoes, which was about the price prevailing on the market at the time the policy was announced, in November, 1948. It was felt that this price would protect the growers from serious loss but would not be so high as to encourage excessive production in 1949. Through the winter the marketing of the crop continued in an orderly manner at about the support level but it was apparent that a considerable volume of potatoes would be sold to the Board under the program during April and May.

British Columbia Apples, 1948:

As the harvesting season for British Columbia apples approached in 1948 the producers were uncertain as to whether, in the face of relatively large production and the possibility of diminishing markets, it would be advisable to go to the expense of picking, packing and storing the whole crop. The British market, which usually absorbs up to 20 per cent of the available supply, remained closed and a considerable portion of the crop consisted of smaller sizes which were not believed to be readily acceptable in the United States. B.C. Tree Fruits, Limited, the marketing agency for

the growers, therefore requested that a certain portion of the crop be under-written by the Agricultural Prices Support Board to the extent of the cost of making the product ready for sale in case markets should be found.

It was agreed that the Board would offer to purchase up to 600,000 boxes of apples of designated varieties, sizes and grades at \$1.00 per packed box. Later, as it became evident that any offerings to the Board under this program would be considerably less than 600,000 boxes, the number of boxes covered by the guarantee was reduced to 250,000 and the price was raised to \$2.00 per box, which would provide a moderate return to the growers in addition to their costs. This price was still not so high as to diminish the efforts of B.C. Tree Fruits Limited to sell the apples elsewhere and in the disposal of the whole crop it was found necessary to have recourse to the Board' guarantee only to the extent of about \$45,000.00.

Dried White Beans, 1948:

The Ontario growers of dried white beans found it necessary to apply for assistance in marketing their crop. The beans were of exceptionally high quality but the export market, which usually took an appreciable portion of the crop, appeared uncertain because of exchange difficulties. In order to support the market and at the same time assist in filling a genuine food need it was decided to donate a quantity of beans to Palestine Relief and \$200,000 was allocated for this purpose. The purchase was made at a price which would return \$3.75 to the growers, which was the initial price laid down in their marketing scheme under the Farm Products Control

Act of Ontario. In addition the Board undertook to meet any deficiency - up to a total of a further \$200,000 - between the support price of \$3.75 and the price actually realized by farmers in marketing the remainder of the crop. At the end of the fiscal year it appeared probable that the product could all be marketed without invoking this guarantee.

Honey, 1948:

Favourable crop conditions led to a near-record production of honey in 1948 and this, coupled with a carryover of 4 to 5 million pounds from 1947 and a lack of export outlets, due largely to exchange considerations, resulted in the accumulation of a surplus of Canadian produced honey; there appeared to be at least 5 million pounds more than the Canadian market could absorb before the 1949 production would become available.

The Canadian Beekeepers' Council applied for assistance in the marketing of the crop pointing to rapidly falling prices and the danger of serious loss of capital investment if assistance were not forthcoming. It was decided to support the market by purchasing up to 5 million pounds of bulk honey on a price basis of 14 cents per pound for White No. 1 pasteurized honey delivered at Montreal. This price was about the same as the estimated market price for bulk honey prevailing at the time and was considered to be sufficient to protect producers from serious loss without encouraging excessive production in 1949.

Meetings of Board and Advisory Committees:

The Board met to receive delegations or determine Board policy on six occasions during the year. In addition, the Chairman and appropriate

officers of the Department of Agriculture met from time to time with various producer representatives to consider proposals for price support action or to discuss administrative procedure for price support projects already authorized.

As in the past, the Agricultural Economics Division of the Marketing Service of the Dominion Department of Agriculture, with the assistance of the staff provided by the Agricultural Prices Support Board, carried out such studies and research work as the Board required.

The Advisory Committee, under the Chairmanship of Mr. H.H. Hannam, held its regular Spring and Fall meetings, each meeting continuing for three days. The Committee covered a wide field in its discussions and at the conclusion of each meeting submitted a limited number of carefully considered recommendations.

Administration:

The administration costs of the Board during the year 1948-49 amounted to \$28,688.05, made up as follows:

Salaries	\$22,038.95
Travelling Expense:	
Board Members	\$ 982.45
Advisory Committee	<u>4,128.68</u>
Telephone, Telegraph and Postage	5,111.13
Printing, Stationery and Office Equipment	101.23
Miscellaneous	812.39
	<u>634.35</u>
	\$28,688.05

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Canada. Agricultural Prices
Support Board

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ANNUAL REPORT
THE AGRICULTURAL PRICES SUPPORT BOARD
1949-50



THE AGRICULTURAL PRICES SUPPORT BOARD

ANNUAL REPORT
TO
THE MINISTER OF AGRICULTURE
FOR THE YEAR
1949-50

Board Members:

A.M. Shaw, Chairman
Erle Kitchen, Vice-Chairman
J.A. Proulx

Secretary-Manager:

A.H. Turner

ANNUAL REPORT - 1949-50

THE AGRICULTURAL PRICES SUPPORT BOARD

During the year 1949-50 it might be said that agricultural price support received its first real test in major commodity lines. Prior to this time no products as important to the agricultural economy as butter and cheese, and later in the year eggs, had been assisted under the Agricultural Prices Support Act. For the first time the Board was involved in large scale distribution problems in the handling of almost 50 million pounds of butter in the domestic market.

Price support programs under the Agricultural Prices Support Act were initiated during the year in respect to 1948 crop of honey; 1949-50 production of butter up to March 31st, 1950; 1949 production of cheese from August 1st to December 31st; 1949 production of dry skimmed milk up to a maximum expenditure of \$1,000,000; 1949 production of apples up to a maximum cost of \$1,500,000; 1950 production of shell eggs to be purchased out of storage at an appropriate period late in 1950 if stored to the Board's specifications as Grade A Large and Grade A Medium and to be sold before the date of purchase.

The following products have been assisted under the Act since it came into force:

<u>PRODUCT</u>	<u>NET COST</u>
1. <u>Potatoes</u> grown in Prince Edward Island and designated areas of New Brunswick and Quebec in 1946	\$ 170,748.48

<u>PRODUCT</u>	<u>NET COST</u>
2. <u>Potatoes</u> grown in Prince Edward Island and designated areas of New Brunswick in 1948	\$ 1,646,839.34
3. <u>Apples</u> grown in designated areas of Nova Scotia in 1947	3,119,274.22
4. <u>Apples</u> grown in designated areas of Nova Scotia in 1948 to a maximum of 700,000 barrels	1,443,231.39
5. <u>Apples</u> grown in designated areas of British Columbia in 1948 to a maximum of 250,000 boxes	44,650.93
6. <u>Apple</u> shipments to the United Kingdom from the 1949 crop in Nova Scotia and British Columbia to a maximum cost of \$1,500,000	1,499,329.28
7. <u>Dried White Beans</u> grading Canada No. 1 and Canada No. 2 grown in 1948 in Ontario to a maximum cost of \$200,000.	194,419.88
8. <u>Dry Skimmed Milk</u> purchases to a maximum of \$1,000,000.	<u>10,467.10</u>
TOTAL	<u><u>\$8,128,960.62</u></u>

In addition to the above products the following purchase and sales programs had not been completed by March 31st, 1950:

<u>PRODUCT</u>	<u>Quantity Purchased</u> lb.	<u>Stock on Hand</u> <u>March 31, 1950</u> lb.
9. <u>Extracted Honey</u> produced in Canada in 1948, purchases limited to a maximum of 5,000,000 pounds	3,002,346	2,949,202
10. <u>First Grade Creamery Butter</u> produced in 1949-50	48,119,632	20,686,084

<u>PRODUCT</u>	<u>Quantity</u>	<u>Stock on Hand</u>
	<u>Purchased</u>	<u>March 31, 1950</u>
11. <u>Cheddar Cheese</u> produced from August to December 1949 in Ontario and Quebec	20,689,795	17,591,753
12. <u>Shell Eggs</u> out of storage at an appropriate date late in 1950 if stored to the Board's specifications as Grade A Large and Grade A Medium.		

In addition to the above-mentioned products which were given support at levels considered to be in the public interest, although not as high as desired by the producers, the Board rejected numerous applications for the support of other products either because they felt that a satisfactory marketing adjustment would be made prior to the end of the marketing year, as in the case of potatoes, or because they felt that some other solution might be more satisfactory, as in the case of Keiffer pears.

Furthermore, the Government under the new 1950 British contracts for cheese and bacon offered, through the Dairy Products Board and the Meat Board to pay a subsidy of three cents per pound on cheese being delivered under the contract and of three and one-half cents per pound on bacon being delivered under the contract.

Further assistance with respect to the 1949 apple crop was granted in April 1950 in the amount of \$2,000,000 to British Columbia apple

growers and \$500,000. to Nova Scotia apple growers, the moneys to be voted by Parliament directly as grants in aid.

First Grade Creamery Butter, 1949:

Due to temporary marketing adjustments resulting from a previous short supply situation in butter in Canada and the introduction of margarine for the Canadian consumer, with the uncertainties created relating thereto, the Board recommended that the price of butter be stabilized in order to protect the producer and consumer against extreme price fluctuations. The Government agreed to the Board's recommendation that the price be stabilized through the Agricultural Prices Support Board offering to purchase first grade creamery butter of current make at the following prices:

59 cents per pound basis delivery Charlottetown, Halifax and St. John;

58 cents per pound basis delivery Montreal and Toronto;

57 1/2 cents per pound basis delivery Vancouver;

all purchases to be subject to such terms and conditions as may be specified by the Agricultural Prices Support Board.

In August the Board announced that they would sell up to March 31st, 1950, the butter which they had purchased, at a price which would return to the Board the purchase cost of the butter plus storage charges.

As a result of this announcement, the Board purchased very small quantities of butter after August 1949 and in October announced that it would sell butter at a price of 60 1/2 cents per pound basis Montreal and Toronto with appropriate differentials for other points in Canada, and that the carloads would be resold for the most part as purchased, with the buyer required to accept any undergrades which might be found in regrading and reweighing.

The Board purchased a total of 48,119,632 pounds and by March 31st, 1950, had resold 27,433,548 pounds leaving 20,686,084 pounds to the Board's account at that date. In February the Board announced that it would be prepared to consider any reasonable price offers for export from the trade up to 10,000,000 pounds of butter. Less than one million pounds were sold up to the end of March 1950 in the export market and prospects for selling in substantial quantity in this way at prices of 50 cents per pound seaboard or higher seemed unlikely thereafter. Towards the end of March 1950 a purchase program for butter similar to that in effect up to March 31st was extended for the month of April 1950.

Dry Skimmed Milk 1949:

Since the export markets for dry skimmed milk had been seriously restricted through exchange difficulties and in the spring of 1949 there was a surplus of at least 10 million pounds of dry skimmed milk

produced in Canada over and above that which the Canadian market could absorb, the Government approved the purchase of up to \$1 million worth of first grade dry skimmed milk on the basis of 9.5 cents per pound for roller process f. o. b. country points and 10.75 cents per pound for spray process f. o. b. country points, all purchases to be subject to such terms and conditions as may be specified by the Agricultural Prices Support Board.

The Board purchased a total of 9,686,241 pounds of roller process and 694,400 pounds of spray process at a total cost to the Board, including freight to storage points and handling charges, of \$1,090,461.16. The Board resold all but 35,000 pounds of this dry skimmed milk to the United Nations International Children's Emergency Fund at a price of \$1,079,995.06 which left the Board with a net loss of \$10,467.10. The 35,000 pounds which were not sold in the above manner were donated to the Quebec Government, along with certain other products, for the relief of certain fishermen on the Labrador coast of Quebec in the late fall of 1949.

Cheddar Cheese 1949:

At the completion of the British contract for 50 million pounds of cheddar cheese in August 1949, the Agricultural Prices Support Board offered to continue to buy cheddar cheese at the contract price for the balance of 1949.

The Board purchased a total of 20,689,795 pounds of which 19,568,770 pounds was 1st grade; 1,077,057 pounds was 2nd grade; and 43,968 pounds was 3rd grade. The Board paid for this cheese f. o. b. factory on the basis of 30 cents per pound for first grade; 29 1/2 cents per pound for second grade; and 29 cents per pound for third grade. By March 31st, 1950, the Board had resold 3,088,908 pounds and had donated 9,134 pounds to the Quebec Government for assistance of the Labrador fishermen, leaving stocks on hand of 17,591,753 pounds valued at \$5,482,999.32. All the cheese sold up until that time, unless it was damaged or otherwise lowered in grade, was resold at cost.

Extracted Honey 1948:

Early in April 1949 the Agricultural Prices Support Board offered to purchase various classes of honey up to a total of five million pounds in order to relieve the market of an excessive surplus which had resulted from a large 1948 honey crop. The Board agreed to purchase only pasteurized honey, basis delivery f. o. b. Montreal, as follows:

No. 1 White	- 14 cents per pound
No. 1 Golden	- 13 cents per pound
No. 1 Amber	- 12 cents per pound
No. 1 Dark (Buckwheat)	- 10 1/2 cents per pound

The purchase program was also limited to applications received by July 31st, 1949, with pasteurizing to be completed by September 30th, 1949.

As a result of this program the Board purchased 3,002,346 pounds of which 2,024,540 pounds were White; 160,930 pounds Golden; 466,750 pounds Light Amber; 107,870 pounds Dark Amber; 242,256 pounds Dark. Up until March 31st, 1950, the Board had resold less than one million pounds of this honey in the export market, although a great deal of investigation of various foreign markets was done in an attempt to find a sale at satisfactory prices. There were many offers of purchase but in most cases at very depressed prices. Since the honey is pasteurized and will keep indefinitely, the Board felt that particularly with the White honey it might be used later in the domestic market due to the short crop in Ontario in 1949.

Apple Shipments to the United Kingdom 1949:

The Agricultural Prices Support Board offered to purchase apples for shipment to the British Ministry of Food on the basis of payment of dollar for dollar with the United Kingdom Government up to an expenditure of \$1,500,000. by the Board and \$1,500,000. by the United Kingdom. At the end of March 1950 all of these purchases had been completed in either Nova Scotia or British Columbia under contract with the British

Food Mission at Ottawa and the cost to the Board at that date had amounted to \$1,499,329.28.

Of this total of \$3 million worth of apples the British Food Mission contracted for approximately \$2,166,000. worth of apples from Nova Scotia and \$834,000. worth of apples from British Columbia based on f. a. s. Halifax and Vancouver prices per barrel or box of apples.

As indicated above the favourable fall in 1949 created further surplus problems, particularly for British Columbia since Ontario and Quebec production was quite high and this meant that British Columbia had more difficulty in finding domestic and export markets for the larger crop produced in 1949, as the United Kingdom purchase only provided for a small portion of purchase from that province. The additional grants of \$500,000. and \$2,000,000. to Nova Scotia and British Columbia growers, as well as the Support Board purchase for the United Kingdom sale, aided in adjusting this problem without depressing the prices for the apple growers in other areas of Canada.

Shell Eggs, 1949:

With the expiration of the British contract for eggs, the egg producers of Canada requested some price support during the period of adjustment. After a period of about one month in which the egg market price dropped substantially from the 1949 price, the Government approved authority

for the Agricultural Prices Support Board to purchase eggs out of storage during an appropriate period late in 1950, these eggs to be stored to the Board's specifications as Grade A Large at a price of 38 cents per dozen or as Grade A Medium at a price of 36 cents per dozen, plus an allowance not to exceed five cents per dozen to cover charges associated with storage. In its specifications the Board has reserved the right to require the delivery of eggs at any period which it may designate in 1950, unless the person holding these eggs in storage wishes to give up the opportunity of receiving the price authorized for purchase in the fall of 1950.

General

1. The Board met to determine Board policy on six occasions during the year and in addition met several times to receive delegations from various groups either to consider proposals for price support or to discuss buying or selling policies in connection with products in which the Board was interested.
2. Throughout its operations the Board, as far as possible, has anticipated probable needs by studying situations that would appear likely to lead to requests for action. The staff of the Economics Division of the Department of Agriculture, assisted by personnel provided by the Board, has been requested to study production and marketing trends

and to keep the price situation under constant review. When actual purchase and selling operations are undertaken the commodity divisions of the Department of Agriculture are active agents of the Board in carrying out these purchase and sales programs.

3. The General Advisory Committee to the Board, under the chairmanship of Mr. H. H. Hannam, President of the Canadian Federation of Agriculture, held regular spring and fall meetings, each meeting continuing for three days. The Committee covered a wide field in its discussions and at the conclusion of each meeting submitted a limited number of carefully considered recommendations.

4. During the year Dr. J.G. Taggart resigned as Chairman of the Board and Mr. A.M. Shaw, Director of Marketing Service for the Federal Department of Agriculture was named to replace Dr. Taggart.

Towards the end of the year Mr. J. A. Proulx of Quebec submitted his resignation and early in April 1950 Mr. S.J. Chagnon was appointed Vice-Chairman of the Board with Mr. Erle Kitchen of Woodstock continuing as the third member.

Administration:

The administration costs of the Board during the year 1949-50 amounted to \$35,947.16 made up as follows:

Salaries	\$25,590.81
Travelling Expenses	7,803.59
Telephones, Telegrams and Postage	123.28
Printing, Stationery and Office Equipment	1,554.39
Miscellaneous	875.09
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TOTAL	\$ 35,947.16

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Government
Publications

Canada - Agricultural Prices
Support Board

ANNUAL REPORT
THE AGRICULTURAL PRICES SUPPORT BOARD
1950-51



THE AGRICULTURAL PRICES SUPPORT BOARD

ANNUAL REPORT TO THE MINISTER OF AGRICULTURE FOR THE YEAR 1950-51

Board Members:

A. M. Shaw, Chairman
S. J. Chagnon, Vice-Chairman
A. H. Turner, Secretary-Manager

ANNUAL REPORT 1950-51

THE AGRICULTURAL PRICES SUPPORT BOARD

During the year 1950-51 the Agricultural Prices Support Board tested numerous distribution policies for commodities which it supported. These were started in the fall and winter of 1949-50 and included distribution on the domestic market of large quantities of butter, cheese and honey out of supplies which the Board had purchased in support operations. For eggs, a program of distribution by the trade with the Board agreeing to purchase any surplus at the end of the marketing period was introduced.

Price support programs under the Agricultural Prices Support Act were initiated during the fiscal year covering 1950-51 production of butter up to April 30th, 1951; 1951 production of shell eggs to be purchased out of storage at an appropriate period late in 1951 if stored to the Board's specifications as Grade A Large and Grade A Medium; pork products on the basis of Wiltshire sides processed in accordance with the Board's specifications.

The following products have been assisted under the Act since it became operative in 1946 and the net cost in the case of completed programs up to March 31st, 1951, has been:

<u>PRODUCT</u>	<u>NET COST</u>
1. <u>Potatoes</u> grown in Prince Edward Island and designated areas of New Brunswick and Quebec in 1946	\$ 170,748.48

<u>PRODUCT</u>	<u>NET COST</u>	
2. <u>Potatoes grown in Prince Edward Island and designated areas of New Brunswick in 1948</u>	\$1,646,739.34	\$1,817,487.82
3. <u>Apples grown in designated areas of Nova Scotia in 1947</u>	3,119,274.22	
4. <u>Apples grown in designated areas of Nova Scotia in 1948 to a maximum of 700,000 barrels</u>	1,443,231.39	
5. <u>Apples grown in designated areas of British Columbia in 1948 to a maximum of 250,000 boxes</u>	44,650.93	
6. <u>Apple shipments to the United Kingdom from the 1949 crop in Nova Scotia and British Columbia to a maximum cost of \$1,500,000</u>	1,499,569.40	6,106,725.94
7. <u>Dried White Beans grading Canada No. 1 and Canada No. 2 grown in 1948 in Ontario to a maximum cost of \$200,000</u>		194,419.88
8. <u>Dry Skimmed Milk manufactured in 1949, purchases to a maximum of \$1,000,000</u>		10,820.35
9. <u>Extracted Honey produced in Canada in 1948, purchases limited to a maximum of 5,000,000 pounds</u>		177,011.42
10. <u>Cheddar Cheese produced from August to December 1949 in Ontario and Quebec</u>		157,693.98
11. <u>First Grade Creamery Butter produced in 1949-50</u>	1,868,071.12	
12. <u>First Grade Creamery Butter produced in 1950-51</u>	- 459,855.00	1,408,216.12

PRODUCT

NET COST

13. Shell Eggs out of storage at an appropriate date late in 1950 if stored to the Board's specifications as Grade A Large and Grade A Medium

-
\$9,872,375.51

14. Shell Eggs out of storage at an appropriate date late in 1951, if stored to the Board's specifications as Grade A Large and Grade A Medium, at a price of 38 cents per dozen for eggs stored as Grade A Large and 36 cents per dozen for eggs stored as Grade A Medium, plus an allowance to cover charges associated with storage.

15. Hogs: Pork products on the basis of Wiltshire sides processed in accordance with the Board's specifications at a price of \$31.45 per hundredweight for fresh frozen Wiltshire sides from Grade A carcasses and \$30.95 per hundredweight for fresh frozen Wiltshire sides from Grade B1 carcasses, in storage, basis Toronto, with appropriate differentials for transportation charges for other locations in Canada.

In addition to the above-mentioned products which were given support at levels considered to be in the public interest, although not always as high as desired by the producers, the Board rejected numerous applications for the support of other products during the year. This was done because it was felt that a satisfactory marketing adjustment would be made before the end of the marketing year, as in the marketing of the 1949 crop of potatoes, or because

it was considered that some other solution would be more satisfactory, as was true of onion seed in British Columbia.

Through the Meat Board and Dairy Products Board assistance of a price support nature was extended during the year to bacon and cheese supplied against the 1950 British contracts. This amounted to three and one-half cents per pound for bacon delivered under the contract and three cents per pound for cheese delivered under the contract. Assistance with respect to the 1949 apple crop, in addition to that related to the British contract, was provided at the end of the marketing season in the amount of \$2 million to British Columbia apple growers and \$500,000 to Nova Scotia apple growers by direct vote of Parliament.

First Grade Creamery Butter, 1949 and 1950 Production

The Agricultural Prices Support Board offered to purchase at a price of 57 1/2 cents per pound to 59 cents per pound (58 cents basis delivery Toronto and Montreal) first grade creamery butter at various delivery points in Canada through April 1950. Up to March 31st, 1950, the Board had purchased 48,119,632 pounds of butter which was produced in 1949. In April 1950 the Board purchased 5,174,350 pounds of 1950 make butter at the above prices. Starting on May 1st, 1950, the Board offered to purchase butter produced in Canada at prices of 53 cents per pound basis delivery Montreal, Toronto, Halifax and St. John and 52 1/2 cents per pound basis delivery Vancouver for

first grade creamery butter. Under this latter program the Board purchased 28,476,592 pounds of 1950 make butter.

All of the butter which was owned by the Board was resold on a regraded and reweighed basis with appropriate selling price differentials for under-grades. As at March 31st, 1950, the Board had on hand 20,686,084 pounds of the 1949 make butter which it continued to sell up to April 30th, 1950, at a price of 60 1/2 cents per pound in areas where the butter was purchased at 58¢ per pound, with appropriate selling price differentials for other areas of Canada. On May 1st the resale price of this 1949 make butter was reduced to 53 cents per pound in those areas where it had been selling at 60 1/2 cents per pound with similar proportionate reductions in other areas.

In order to complete the resale of the 1949 make butter, the Board from about the middle of May paid handlers of this butter an average of approximately two cents per pound for expenses related to tempering, printing and resale. Under this program the Board completed its resale of all the 1949 make butter in July 1950.

With respect to the 33,650,942 pounds of 1950 make butter which the Board purchased during April to August 1950, the Board did not offer to resell this butter until December 1st, 1950. At that time indications were that butter supplies in Canada would be just about sufficient to fill the requirements until the spring of 1951. With this knowledge the Government requested the Board

to carefully control the resale of its butter. The Board announced its resale price as 57 cents per pound in those areas where the purchase price was 53 cents, with appropriate differentials for transportation from other areas in Canada.

In controlling the resale of butter, the Board among other things limited supplies to applicants who had less than two weeks supply, either on hand or available in prospect by purchases or production. The Board also examined resale mark-ups on Board butter and if these were considered excessive no further butter was made available to such applicants. Under this program some Board supplies of butter were available for resale up to about the last week in March 1951, although some areas, where new production or imported butter became available, were not provided from Board supplies from an earlier date.

During December a number of Canadian importers purchased about 4,800,000 pounds of New Zealand butter to arrive late in February. The Board made arrangements with the importers whereby all requests for butter in certain areas where the importers were operative would be referred to the importers and in this way the imported butter moved into distribution in place of the Board supplies, thus leaving these supplies for distribution elsewhere.

It is of interest to note that in the resale of nearly 50 million pounds of 1949 make butter between October 1949 and July 1950, approximately 93 per

cent graded No. 1 when resold. In the resale of nearly 35 million pounds of 1950 make butter between December 1950 and March 1951, approximately 97 per cent graded No. 1 when resold.

The net cost of the April 1949 to March 1951 butter operations of the Board was \$1,408,216.12.

Cheddar Cheese, 1949 Production

During the fall of 1949 the Board had purchased a total of 20,689,795 pounds of cheese of which 19,568,770 pounds were first grade, 1,077,057 pounds were second grade and 43,968 pounds were third grade. The Board paid for this cheese f. o. b. factory on the basis of 30 cents per pound for first grade, 29 1/2 cents per pound for second grade and 29 cents per pound for third grade. On March 31st, 1950, there were still 17,591,753 pounds of this cheese on hand for resale. The Board continued to resell cheese at approximately cost throughout the summer when requested by the domestic trade. Early in September the Board still had about eight million pounds of cheese on hand. After discussions with the trade the Board offered to resell this cheese to the trade at prices ranging up to 34 1/2 cents depending on the grade, all of these final stocks of cheese to be regraded and reweighed. By October 31st the domestic trade had over-applied for the quantities of cheese held by the Board. This cheese was all regraded and reweighed and delivered in accordance with allocations of the Board by the end of 1950 and final

payments for the cheese were completed early in 1951.

The net cost of this program to the Board was \$157,693.98.

Extracted Honey, 1948 Production

On March 31st, 1950, the Board still held 2,949,202 pounds of honey purchased in the spring and summer of 1949. In May 1950 the Board held meetings with the trade with a view to selling the white honey which it owned in the domestic market. An advertising and resale program was designed with the result that all honey was disposed of by March 1951. A substantial quantity of the coloured honey was sold in the export market.

In the case of the sale of honey in the domestic market, the Board used the regular honey packers in Canada and packed honey sold through them in consumer containers under the particular packer's label. At the beginning the packers were not too anxious to have the Board resell its honey in the domestic market but with the improved sales resulting from the advertising and special campaign, some of the packers requested extra supplies of Board honey early in the fall. All of the Board honey had been allocated for sale or resold by early November and all the allocated honey had been sold before the end of March 1951.

The total cost of this program was \$177,011.42.

Shell Eggs, 1950 and 1951 production

Under this program, which was started in January 1950, there were

396,740 cases of eggs stored to the specifications of the Board. By the end of November 1950 these eggs had all been taken out of storage and none were offered to the Board. This program had no cost except those expenses associated with general administration of the Board policy.

In December 1950 the Board announced that it would purchase eggs out of storage during an appropriate period late in 1951 on a similar basis to that in effect during the 1949-50 egg production and marketing season. Under this program the Board reserves the right, according to storage specifications, to require the delivery of eggs at any period which it may designate in 1951 unless the person holding these eggs in storage wishes to give up the opportunity of receiving the price authorized for purchase of the eggs in the fall of 1951.

Hogs, 1951 Marketings

In January 1951 it was announced that the Agricultural Prices Support Board would purchase, if offered, pork products on the basis of Wiltshire sides, processed in accordance with its specifications, at a price of \$31.45 per hundredweight for fresh frozen Wiltshire sides from Grade A carcasses and \$30.95 per hundredweight for fresh frozen Wiltshire sides from Grade B1 carcasses, in storage, basis Toronto, with appropriate differentials for transportation charges for other locations in Canada. Up to March 31st, 1951, no product was offered to the Board under this program.

Potatoes

During the winter of 1950-51 the Board indicated to the potato growers of New Brunswick and Prince Edward Island that if their Provincial Marketing Boards could make sales in certain export markets under conditions set out by the Board, the Board would be prepared to recommend a deficiency payment to provide a return to the grower of 66 2/3 cents per hundredweight. No sales were made under this offer and, therefore, the Board was not called upon to make the recommendation to the Government in this connection.

Late in March 1951 a program under the Agricultural Products Co-operative Marketing Act was provided with respect to assistance to the potato growers in New Brunswick and Prince Edward Island.

General

1. The Board met to determine Board policy on ten occasions during the year and in addition met several times to receive delegations from industry groups either to consider proposals for price support or to discuss buying or selling policies in connection with products in which the Board was interested.

As will be noted from the above statements of Board operations during the year, an extended sales program was carried out. This was facilitated greatly by the co-operation and advice of advisory groups from the industry concerned.

2. Throughout its operations the Board, as far as possible, had anticipated probable needs by studying situations that would appear likely to lead to requests for action. The staff of the Economics Division of the Department of Agriculture, assisted by personnel provided by the Board, has been requested to study production and marketing trends and to keep the price situation under constant review. When actual purchase and selling operations are undertaken the commodity Boards and divisions of the Department of Agriculture are active agents of the Board in carrying out these purchase and sales programs.

3. The General Advisory Committee to the Board, under the chairmanship of H. H. Hannam, President of the Canadian Federation of Agriculture, held regular spring and fall meetings, each meeting continuing for three days. The committee covered a wide field in its discussions and at the conclusion of each meeting submitted a limited number of carefully considered recommendations.

4. Early in the fiscal year S. J. Chagnon became Vice Chairman of the Board. On January 1st, 1951, after Erle Kitchen had tendered his resignation, A. H. Turner became the third member of the Board. Mr. Kitchen was appointed to the General Advisory Committee to the Board under the chairmanship of H. H. Hannam.

Administration

The administration costs of the Board during the year 1950-51 amounted to \$58,583.57 made up as follows:

Salaries	\$46,971.13
Allowances	200.00
Travelling Expenses	9,926.41
Telephones, Telegrams and Postage	766.50
Printing, Stationery and Office Equipment	697.94
Miscellaneous	<u>21.59</u>
	<u>\$58,583.57</u>

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Canada. Agricultural Prices Support Board

Government
Publications

ANNUAL REPORT
THE AGRICULTURAL PRICES SUPPORT BOARD
1951-52

THE AGRICULTURAL PRICES SUPPORT BOARD

ANNUAL REPORT
TO
THE MINISTER OF AGRICULTURE
FOR THE YEAR
1951-52

Board Members:

A. M. Shaw, Chairman

S. J. Chagnon, Vice-Chairman

A. H. Turner, Secretary-Manager

ANNUAL REPORT 1951-52

THE AGRICULTURAL PRICES SUPPORT BOARD

During the year 1951-52 the Agricultural Prices Support Board carried out price support programs relating to eggs, hogs, butter, cheese and potatoes. The net cost of these programs up to March 31st, 1952, was relatively small, although only the egg and potato programs had been completed at that time.

The hog program based on Wiltshire sides, which was effective through most of the period, and the cheese program resulted in no expenditure by the Board, although the new hog program started in February 1952 had resulted in the purchase of substantial quantities of canned pork up to March 31st, 1952.

The following products have been assisted under the Act since it became operative in 1946 and the net cost in the case of completed programs up to March 31st, 1952, has been:

<u>PRODUCT</u>	<u>NET COST</u>
1. <u>Potatoes</u> grown in Prince Edward Island and designated areas of New Brunswick and Quebec in 1946	\$ 170,748.48
2. <u>Potatoes</u> grown in Prince Edward Island and designated areas of New Brunswick in 1948	1,646,739.34
3. <u>Potatoes</u> grown in Prince Edward Island and designated areas of New Brunswick in 1950	<u>218,687.79</u> \$2,036,175.61

	<u>PRODUCT</u>	<u>NET COST</u>
4.	<u>Apples grown in designated areas of Nova Scotia in 1947</u>	3,119,274.22
5.	<u>Apples grown in designated areas of Nova Scotia in 1948 to a maximum of 700,000 barrels</u>	1,443,231.39
6.	<u>Apples grown in designated areas of British Columbia in 1948 to a maximum of 250,000 boxes</u>	44,650.93
7.	<u>Apple shipments to the United Kingdom from the 1949 crop in Nova Scotia and British Columbia to a maximum cost of \$1,500,000</u>	<u>1,499,569.40</u> 6,106,725.94
8.	<u>Dried White Beans grading Canada No. 1 and Canada No. 2 grown in 1948 in Ontario to a maximum cost of \$200,000</u>	194,419.88
9.	<u>Dry Skimmed Milk manufactured in 1949, purchases to a maximum of \$1,000,000</u>	10,820.35
10.	<u>Extracted Honey produced in Canada in 1948, purchases limited to a maximum of 5,000,000 pounds</u>	177,066.42
11.	<u>Cheddar Cheese produced from August to December 1949 in Ontario and Quebec</u>	\$ 157,693.98
12.	<u>Cheddar Cheese produced from May to November 1951 in Ontario and Quebec</u>	--
13.	<u>First Grade Creamery Butter produced in 1949-50</u>	\$1,868,150.72
14.	<u>First Grade Creamery Butter produced in 1950-51</u>	<u>- 456,115.03</u> 1,412,035.69
15.	<u>Shell Eggs out of storage at an appropriate date late in 1950 if stored to the Board's specifications as Grade A Large and Grade A Medium</u>	--

PRODUCTNET COST

16.	Shell Eggs out of storage at an appropriate date late in 1951 if stored to the Board's specifications as Grade A Large and Grade A Medium	1,866.24	1,866.24
17.	Hogs 1951 pork products on the basis Wiltshire sides processed in accordance with the Board's specifications	--	
18.	Hogs 1952 hog carcasses based on the equivalent of 26 cents per pound, warm dressed weight from Grade A carcasses	2,513.13	2,513.13
TOTAL			\$10,099,317.24

In addition to the above products the following purchase and sales programs had not been completed by March 31st, 1952:

<u>PRODUCT</u>	<u>Quantity Purchased</u> lb.	<u>Stock on Hand March 31, 1952</u> lb.
19. Shell Eggs out of storage at an appropriate date in 1952 if stored to the Board's specifications as Grade A Large and Grade A Medium	--	--
20. <u>First Grade Creamery Butter produced in 1951-52</u>	7,259,407	4,688,832
21. Hogs 1952 - Several methods of support designed to provide a price of not less than 26 cents per pound, warm dressed weight for Grade A hog carcasses, basis Toronto and Montreal with appropriate differentials for other principal public stockyards throughout Canada. Up to March 31st this program had included the purchase of canned pork and the offer to purchase pork cuts at an appropriate date before Sep. 30, 1952.		

<u>PRODUCT</u>	<u>Quantity Purchased</u> lb.	<u>Stock on Hand March 31, 1952</u> lb.
Canned pork produced to the Board's specifications up to a maximum of 20 million pounds	5,492,520	5,492,520

In addition to the above-mentioned products which were given support at levels considered to be in the public interest, although not always as high as desired by producers, the Board rejected an application for price support for cranberries in Nova Scotia since they were selling in Canada at prices which seemed fair and which were from 50 to 75 cents higher than those for American berries in Canada. Assistance was also provided in the amount of \$1,200,000 to British Columbia apple growers and \$300,000 to Nova Scotia apple growers by direct Vote of Parliament.

Potatoes 1950 Crop

In March 1951 an agreement under the Agricultural Products Co-operative Marketing Act was completed between the Minister of Agriculture and the selling agency for the Potato Marketing Boards in New Brunswick and Prince Edward Island. After the program of selling was completed the Agricultural Prices Support Board was authorized in July 1951 to make a deficiency payment sufficient to bring the price to the producers, who delivered a total of 1,002,319 bushels of potatoes to the Marketing Boards under the above agreement, up to \$1.20 per barrel. The cost of this program was \$218,687.79.

First Grade Creamery Butter 1951 Production

In April 1951 authority was granted the Agricultural Prices Support Board to offer to purchase butter from May 1st, 1951 to April 30th, 1953, on a basis of 58 cents per pound delivered Montreal, Toronto, St. John and Halifax and 57 cents per pound delivered Vancouver. This was an increase of five cents per pound over the support price authorized in the previous year and represented the first time that any program under the Agricultural Prices Support Act had been announced in advance for a period of two years. No butter was offered under this program up until March 31, 1952.

In August 1951, as a part of the arrangements respecting imports of butter, which were made by the Agricultural Products Board, the Agricultural Prices Support Board was authorized to purchase up to 10 million pounds of domestic butter on the basis of 63 cents per pound delivered Halifax, St. John, Montreal and Toronto and 62 cents per pound delivered Vancouver.

Under this program the Board purchased a total of 7,259,407 pounds of domestic butter, about seven million pounds of which was purchased provided the Canadian trade bought a similar quantity of Continental butter from the Agricultural Products Board. By March 31st, 1952, the Agricultural Prices Support Board had resold 2,570,575 pounds of this butter in Canada at a price of 66 cents per pound basis Montreal. The book value of the inventory on hand at March 31st, was \$2,944,311.03.

Cheddar Cheese 1951 Production

In April 1951 provision was made whereby the Agricultural Prices Support Board could offer to purchase, before January 1st, 1952, any First Grade Canadian cheddar cheese produced in Ontario and Quebec between May and November 1951 which might be offered to the Board at a price of 28 cents per pound, basis delivery Montreal, plus an allowance to cover certain charges associated with carrying and storing cheese. No cheese was offered to the Board under this program.

Shell Eggs 1951 Production

Under this program, which was continued on a similar basis to that of the previous year, 152,289 cases of eggs were oiled and stored in the spring and summer of 1951 in accordance with the Board's specifications. At the end of December 691 cases of these eggs were taken over by the Board and resold at a net cost to the Board of \$1,866.24.

In December 1951 the Board was authorized to purchase eggs out of storage during an appropriate period in 1952 on a basis similar to that in effect during the two years 1950 and 1951. Under this program the Board reserves the right, according to storage specifications, to require the delivery of eggs at any period which it may designate in 1952, unless the person holding these eggs in storage wishes to give up the opportunity of receiving the price authorized for the purchase of eggs in the fall of 1952.

Hogs 1951 and 1952 Marketings

In January 1951 the Agricultural Prices Support Board had been authorized to offer to purchase pork products on the basis of Wiltshire sides at a price of \$31.45 per hundredweight for fresh frozen Wiltshire sides from Grade A carcasses and \$30.95 per hundredweight for fresh frozen Wiltshire sides from Grade B1 carcasses, in storage Toronto, with appropriate differentials for transportation charges for other locations in Canada. The prices authorized under this program were in line with the price of \$32.50 per hundredweight seaboard paid for Wiltshire sides delivered for the British contract in 1950. This program was effective until early February 1952 but no purchases were made by the Board.

On February 13th, 1952, the Agricultural Prices Support Board was authorized to offer to buy pork processed and offered in accordance with its specifications at a price of 36 1/2 cents per pound of pork cuts or its equivalent, basis Toronto and Montreal, with appropriate differentials for transportation charges for other locations in Canada, plus an allowance not to exceed five cents per pound of cuts to cover charges associated with storing and handling. Up to March 31st, 1952, 1,752 carcasses were purchased under this program and resold at a net cost to the Board of \$2,513.13.

Early in March 1952 the Board was authorized to purchase up to 10 million pounds of canned pork, provided a price of not less than \$26.00 per

hundred pounds, warm dressed weight for Grade A carcass, was paid for hogs at Toronto and Montreal, with appropriate price differentials for other principal public stockyards throughout Canada. On March 31st, 1952, this authority was raised to a maximum of 20 million pounds of canned pork.

As at March 31st, 1952, the Board owned 5,492,520 pounds of canned pork with a book value of \$3,418,408.68 including expenses paid up to that time.

General

1. The Board met to determine Board policy on eight occasions during the year and in addition met several times to receive delegations from industry groups either to consider proposals for price support or to discuss buying or selling policies in connection with products in which the Board had an interest.

The Board's operations were facilitated greatly by the co-operation and advice of advisory groups from the industry concerned.

2. Throughout its operations the Board, as far as possible, has anticipated probable needs by studying situations that would appear likely to lead to requests for action. The staff of the Economics Division of the Department of Agriculture, assisted by personnel provided by the Board, has been requested to study production and marketing trends and to keep the price situation under constant review. When actual purchase and selling operations are undertaken the commodity divisions of the Department of Agriculture and

the Agricultural Products Board are active agents of the Board in carrying out these purchase and sales programs.

3. The General Advisory Committee to the Board, under the chairmanship of H. H. Hannam, President of the Canadian Federation of Agriculture, held regular spring and fall meetings, each meeting continuing for three days. The committee covered a wide field in its discussions and at the conclusion of each meeting submitted a limited number of carefully considered recommendations.

Administration

The administration costs of the Board during the year 1951-52 amounted to \$54,000.83 made up as follows:

Salaries	\$46,778.74
Travelling expenses	6,738.63
Telephones and telegrams	281.71
Printing, stationery and office equipment	145.72
Sundries	56.03
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	\$54,000.83
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Canada. Agricultural Prices
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Government
Publications

ANNUAL REPORT

THE AGRICULTURAL PRICES SUPPORT BOARD

1952-53



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THE AGRICULTURAL PRICES SUPPORT BOARD

ANNUAL REPORT
TO
THE MINISTER OF AGRICULTURE
FOR THE YEAR
1952-53

Board Members:

A. M. Shaw, Chairman
S. J. Chagnon, Vice-Chairman
A. H. Turner, Secretary-Manager

ANNUAL REPORT 1952-53

THE AGRICULTURAL PRICES SUPPORT BOARD

During the year 1952-53 the Agricultural Prices Support Board carried out price support programs related to eggs, butter and dry skimmed milk. The net cost of these programs continued to be relatively small, although there were inventories of butter and skimmed milk on hand as at March 31st, 1953. A support price had been set on hogs on February 13th, 1952, on the assumption pork cuts would be sold in the United States. When foot and mouth disease developed on February 25th, 1952, the hog support was continued and a support price was placed under cattle to assist in marketing problems attributable to this disease.

In the case of hogs and cattle these programs were extensive due to the embargo on the shipment of livestock and livestock products to the United States during the foot and mouth disease.

The Board in undertaking their 1952-53 programs required the largest amount of working capital which had been necessary in any one year to date, largely attributable to foot and mouth disease. Until the recoup of \$32,346,000 provided by Parliament in March, 1953 the maximum amount in use at any one time was between \$120 and \$125 million. After the write-off of these losses the Board still was financing inventories, as indicated below, but it was expected that most of these inventories would be disposed of in the 1953-54 fiscal year.

The following products have been assisted under the Act since it became operative in 1946 and the net cost in the case of programs completed in whole or in part according to production year were as follows up to March 31st, 1953:

<u>PRODUCT</u>	<u>YEAR</u>	<u>NET COST</u>	
1. Potatoes	1946	\$ 170,748.48	
	1948	1,646,739.34	
	1950	<u>218,687.79</u>	\$ 2,036,175.61
2. Apples	1947	3,119,274.22	
	1948	1,487,882.32	
	1949	<u>1,499,569.40</u>	6,106,725.94
3. Dried White Beans	1948		194,419.88
4. Extracted Honey	1948		177,066.42
5. Dry Skimmed Milk	1949		10,820.35
6. Cheddar Cheese	1949	157,693.98	
	1951	<u>nil</u>	157,693.98
7. Creamery Butter	1949-50	1,868,150.72	
	1950-51	456,115.03	
	1951-52	<u>147,278.05</u>	1,559,313.74
8. Shell Eggs	1950	nil	
	1951	1,866.24	
	1952	<u>62,592.84</u>	64,459.08
9. Hogs	1952		
as Hog Carcasses		7,234.04	
Storage Cuts		716,088.40	
Wiltshire Sides		949,313.02	
Canned Pork - Written off as loss to March 31st, 1953		<u>6,216,858.27</u>	7,889,493.73
10. Cattle	1952		
as Boneless beef for National Defence		nil	
Canned Boneless Beef		58,751.91	
Carcass Beef Exported-Written off as loss to March 31st, 1953		<u>24,149,844.07</u>	<u>24,208,595.98</u>
	TOTAL		<u><u>\$42,404,764.71</u></u>

In addition to the above products the following purchase and sales programs had not been completed by March 31st, 1953, although in the case of canned pork and carcass beef an estimated loss on product to the extent which was known at that date has been included above:

<u>PRODUCT</u>	<u>Quantity Purchased</u> lb.	<u>Stock on Hand March 31, 1953</u> lb.
11. <u>Shell Eggs</u> out of storage at an appropriate date in 1953 if stored to the Boards' specifications as Grade A Large and Grade A Medium	nil	nil
12. <u>First Grade Creamery Butter</u> produced in 1952-53	30,530,854	19,109,273
13. <u>Dry Skimmed Milk</u> 1953	1,110,400	1,110,400
14. <u>Hogs</u> 1952 as Canned Pork	98,290,368	73,067,004
Pork Cuts	68,406,515	13,247,456
15. <u>Cattle</u> 1952 as Live Cattle	6,765 head	39 head
Carcass Beef	83,857,627	14,913,653*
Boneless Beef	5,930,184	5,930,184
Boneless Beef for Canning	1,392,710	nil
Canned Boneless Beef	nil	219,114
Beef Offals	26,563	26,563

*Does not include New Zealand beef in storage or still to be delivered on account of carcass beef shipped to the United Kingdom.

In addition to the above-mentioned products which were given support at levels considered to be in the public interest, although not always as high as desired by producers, the Board rejected an application for price support on certain forage crop seeds and held in abeyance an application for price support for poultry meats. In the case of the forage crop seeds an agreement under the Agricultural Products Co-operative Marketing Act was provided to assist in financing these seeds on a co-operative plan and in the case of poultry meats it was considered that the market price for most of the poultry meats remained above the support price requested during most of the year.

Shell Eggs 1952 Production

Under this program, which was continued on a similar basis to that of the previous year, 351,766 cases of eggs were oiled and stored in the spring and early summer of 1952, in accordance with the Board's specifications. During the period from May to December 1952 the Board took delivery of 44,866 cases and resold these at a net cost to the Board of \$62,592.84.

In December 1952 the Board was authorized to offer to purchase during an appropriate period in 1953 such grades of eggs, in such form as the Board may specify, at a price equivalent to 38 cents per dozen for Grade A Large eggs, with appropriate price differentials for other grades of eggs and egg products, plus an allowance not to exceed five cents per dozen to cover charges associated with storage. Under this program the Board reserves the right, according to its specifications, to require delivery of the eggs at any period that it may designate in 1953 unless the person holding these eggs in storage wishes to give up the opportunity of receiving the price authorized for the purchase of eggs at the end of the program.

First Grade Creamery Butter 1951-52 Production

With respect to butter the Board had 4,688,832 pounds of butter on hand at March 31st, 1952, out of a total of 7,259,407 pounds of 1951 production butter purchased at 63 cents per pound basis delivery Montreal. The Board resold the balance of this butter during 1952 and early 1953 at a loss amounting to \$147,278.05 on the whole transaction, including that part of the butter sold in the 1951-52 fiscal year.

In the spring and summer months of 1952 the Board purchased 30,530,854 pounds of butter and as at March 31st, 1953, had resold 11,421,581 pounds.

On March 26th, 1953, the Agricultural Prices Support Board was authorized to offer to purchase Canada First Grade creamery butter from May 1st, 1953 through April 30th, 1955, on a basis of 58 cents per pound delivered Montreal. This was on the same basis as the price support had been authorized for the previous two years except for the authority to purchase domestic butter at a slightly higher price during the period of the import program in 1951.

Dry Skimmed Milk 1952 Production

On February 19th, 1953, the Agricultural Prices Support Board was authorized to offer to purchase up to 10 million pounds of dry skimmed milk of

which not more than 3 million pounds shall be roller process. As indicated above the Board held 1,110,400 pounds of dry skimmed milk at March 31st, 1953.

Cattle 1952 Marketings

As a result of the embargo on Canadian cattle due to foot and mouth disease in Saskatchewan, the Agricultural Prices Support Board was authorized on April 22nd, 1952, to offer to purchase cattle and beef, in whichever form was considered preferable and in accordance with its specifications, at a price equivalent to \$25 per hundred pounds live weight for "good" steers at Toronto, with appropriate price differentials for other grades and markets throughout Canada.

This price was continued through until the end of September for all finished cattle except for carcasses from heavy steers and heifers weighing 700 pounds and up, cold dressed weight, fat-in basis, including the Grades A, B and C, for which cattle the program was continued through until November 15th, 1952. On September 24th the Board was authorized to offer to buy all finished cattle at a price equivalent to \$23 per hundred pounds live weight for "good" steers at Toronto for the period from September 29th, 1952 through March 31st, 1953, or until the United States embargo was lifted. The United States embargo was lifted on March 2nd, 1953, and as a result this authority was discontinued.

The major program under price support authority for cattle was one of acceptance of carcass beef for shipment to the United Kingdom in return for which New Zealand beef was sold in the United States to offset the cost of Canadian beef. The Agricultural Prices Support Board purchased carcass beef for shipment to the United Kingdom in an amount of 70,252,935 pounds. New Zealand released beef to the equivalent of approximately 62,000,000 pounds of Canadian carcass beef for resale in the United States and the United Kingdom agreed to pay at the equivalent of the New Zealand beef contract price for the other eight million pounds of Canadian carcass beef. When the disposal of the New Zealand beef in the United States has been completed the net return on this product will represent the payment received by the Agricultural Prices Support Board for carcass beef shipped to the United Kingdom.

The Board also operated programs of purchase of live cattle at regular auctions in Western Canada and for a time operated the plant of the Canadian-Co-operative Processors at Swift Current. Some of the live cattle when purchased were slaughtered shortly afterwards, some were transferred to community pastures

and towards the end of the program a number were purchased, stored at the stockyards for a few days and resold as live cattle.

For a period of time the Board purchased boneless beef for storage in Canada. In addition to this the Board accepted some specially prepared boneless beef in various forms for resale to the Department of National Defence for use by the Canadian and Commonwealth troops in Korea. Some boneless beef was purchased in the buffer and quarantine zone area for canning with the bulk of this canned beef being sold to Greece.

Inventories of these products still remaining on hand at March 31st, 1953, included: carcass beef in Canadian storages, 14,913,653 pounds; boneless beef 5,930,184 pounds; canned boneless beef 219,114 pounds; beef offals 26,563 pounds and 39 head of cattle.

The Board discontinued their buying program for cattle the week ending February 21st, 1953. From that time to the end of the fiscal year no price support was made available for cattle.

Hogs 1952 Marketings

On February 13th, 1952, the Agricultural Price Support Board was authorized to offer to buy hogs and pork products on the basis of a price equivalent to \$26 per hundred pounds, warm dressed weight of Grade A carcasses, basis Toronto and Montreal, for a period up to September 30th, 1952. (It was anticipated when this was arranged that at least 50,000,000 pounds of cuts would be sold into the United States. The United States boundary was closed on February 25th. From there on the support was on account of foot and mouth disease.)

On September 24th, 1952, the Agricultural Prices Support Board was authorized to purchase hogs and pork in whichever form was considered preferable and in accordance with its specifications, on the basis of a price equivalent to \$26 per hundred pounds, warm dressed weight from Grade A carcasses, basis Toronto and Montreal, for the period October 1st to December 31st, 1952, and thereafter at a price equivalent to \$23 per hundred pounds, warm dressed weight from Grade A carcasses, basis Toronto and Montreal, with appropriate differentials for other principal public stockyards throughout Canada.

Under this program the Board has purchased at various times Wiltshire sides, canned pork, primal cuts and hog carcasses. The Board purchased 3 808 hog carcasses and resold them at a loss of \$4,720.91. The Board purchased 15,755,639 pounds of Wiltshire sides and resold these in the domestic market at a loss to the Board of \$949,313.02. The Board purchased 18,061,641 pounds of storage cuts and resold them during the summer months at cost price less storage charges at a loss of \$716,088.40.

At April 1st, 1952, the Board held 5,492,420 pounds of canned pork produced to their specifications and had a further 92,768,454 pounds produced during the year up to March 31st, 1953. In this period the Board resold 25,193,970 pounds at a net cost to the Board of \$6,216,858.27. The Board after Canada was declared free of foot and mouth disease and after the beginning of the new hog marketing year, stored as many pork cuts as possible and purchased some 68,406,515 pounds of this basis. On March 31st, 1953, the sale of this product had all been arranged but the Board still held 13,247,456 pounds in storage which had not been delivered.

General

1. The Board met to determine Board policy on thirty-six occasions during the year and in addition met several times to receive delegations from industry groups either to consider proposals for price support or to discuss buying or selling policies in connection with products in which the Board was interested.
2. In connection with the cattle and beef price support a Special Advisory Committee composed of Provincial Government representatives and a Special Management Committee named from the members of this Advisory Committee assisted the Board and the Department in connection with the operations of the cattle price support.
3. Throughout its operations the Board, as far as possible, has anticipated probable needs by studying, with the assistance of the Economics Division of the Department of Agriculture, what would appear likely to lead to requests for action. When actual purchase and selling operations are undertaken the commodity divisions of the Department of Agriculture and the Agricultural Products Board are active agents of the Board in carrying out these purchase and sales programs.
4. The General Advisory Committee to the Board, under the chairmanship of H. H. Hannam, President of the Canadian Federation of Agriculture, held regular spring and fall meetings. The Committee covered a wide field in its discussions and at the conclusion of each meeting submitted a limited number of carefully considered recommendations.

Administration

The administration costs of the Board during the year 1951-52 amounted to \$65,970.05 made up as follows:

Salaries	\$52,397.42
Travelling expenses	10,765.16
Telephones and telegrams	2,468.49
Office stationery, supplies and equipment	285.11
Sundries	<u>53.87</u>
Total	<u><u>\$65,970.05</u></u>

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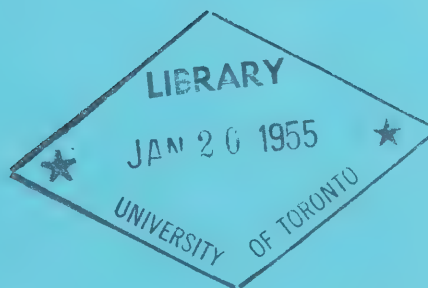
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ANNUAL REPORT
THE AGRICULTURAL PRICES SUPPORT BOARD
1953-54



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THE AGRICULTURAL PRICES SUPPORT BOARD

ANNUAL REPORT

BY

THE MINISTER OF AGRICULTURE

FOR THE YEAR

1953-54

Board Members:

A. M. Shaw, Chairman

S. J. Chagnon, Vice-Chairman

A. H. Turner, Secretary-Manager

ANNUAL REPORT 1953-54

THE AGRICULTURAL PRICES SUPPORT BOARD

During the year 1953-54 the Agricultural Prices Support Board carried out price support programs relating to eggs, butter, cheddar cheese, dry skimmed milk and hogs. The Board also completed the sale of the balance of the hog and cattle products acquired during the foot and mouth disease emergency. Butter was the only inventory held, the disposal of which had not been arranged by March 31, 1954.

As indicated in the tabular summary below the total net cost from the start of operations in 1946 to March 31, 1954, was \$80,163,658.71. Of this about \$69 million was attributable to losses on the extensive buying and selling programs undertaken for hogs and cattle as an emergency measure resulting from the embargo on the shipment of livestock and livestock products to the United States during the foot-and-mouth disease outbreak from February 25, 1952, to March, 1953.

A recoup of losses of \$37,758,894 covering the fiscal year 1953-54 was provided by Parliament in March 1954. These losses were mainly incurred in the resale of hog and cattle products in addition to \$666,583.67 being written off in connection with dry skimmed milk and relatively small losses and adjustments in connection with earlier programs for eggs and butter. There was no loss in the case of cheddar cheese.

The following products have been assisted under the Act since it became operative in 1946 and the net cost in the case of programs completed in whole or in part according to production year for the product purchased was as follows up to March 31, 1954:

<u>PRODUCT</u>	<u>YEAR</u>	<u>NET COST</u>	
1. Potatoes	1946	\$ 170,748.48	
	1948	1,646,739.34	
	1950	<u>218,687.79</u>	\$2,036,175.61
2. Apples	1947	3,119,274.22	
	1948	1,487,882.32	
	1949	<u>1,499,569.40</u>	6,106,725.94
3. Dried White Beans	1948		194,419.88
4. Extracted Honey	1948		177,066.42
5. Dry Skimmed Milk	1949	10,820.35	
	1953	<u>666,583.67</u>	677,404.02
6. Cheddar Cheese	1949	157,693.98	
	1951	nil	
	1952	- 2,345.16	
	1953	<u>nil</u>	155,348.82
7. Creamery Butter	1949	1,868,150.72	
	1950	- 456,115.03	
	1951	149,098.86	
	1952	<u>45,608.40</u>	1,606,742.95
8. Shell Eggs	1950	nil	
	1951	1,866.24	
	1952	63,542.45	
	1953	<u>nil</u>	65,408.69
9. Hogs	1951	nil	
	1952	35,735,425.23	
	1953	<u>nil</u>	35,735,425.23
10. Cattle	1952-53		<u>33,408,941.15</u>
TOTAL		\$	<u><u>80,163,658.71</u></u>

In addition to the above products the following purchase and sales programs had not been completed by March 31, 1954, although in the case of canned pork the sale of the product still in inventory had been arranged and some of the loss has been included in the loss on hogs as shown above:

<u>PRODUCT</u>	<u>Quantity Purchased lb.</u>	<u>Stock on Hand March 31, 1954 lb.</u>
11. <u>Shell Eggs</u> out of storage at an appropriate date in 1954 if stored to the Board's specifications as Grade A Large and Grade A Medium	nil	nil
12. <u>First Grade Creamery Butter</u> produced in 1953	33, 857, 353	33, 857, 353
13. <u>Hogs 1952</u> as canned pork	98, 294, 076	2, 706, 768

In addition to the above-mentioned products which were given support at levels considered to be in the public interest, although not always as high as desired by producers, the Board rejected an application for price support on potatoes and continued to hold in abeyance an application for price support for poultry meats. In the case of potatoes agreements under the Agricultural Products Co-operative Marketing Act were provided in August to the Prince Edward Island Potato Marketing Board and in December to the New Brunswick Potato Marketing Board to assist in financing potatoes on a co-operative selling plan.

Shell Eggs 1953 Production

Under the 1953 program 185, 968 cases of eggs were oiled and stored in the spring and early summer of 1953 in accordance with the Board's specifications. All of these eggs were sold without being offered to the Board.

In December 1953 the Board was authorized to offer to purchase during an appropriate period in 1954 such grades of eggs in such form as the Board may specify at a price equivalent to 38 cents per dozen for Grade A Large eggs with appropriate price differentials for other

grades of eggs and egg products, plus an allowance not to exceed five cents per dozen to cover charges associated with storage. Under this program the Board reserves the right, according to its specifications, to require the delivery of the eggs at any period that it may designate in 1954 unless the person holding these eggs in storage wishes to give up the opportunity of receiving the price authorized for the purchase of eggs at an appropriate period.

A small further loss of \$949.61 applicable to the 1952 egg support program was written off during the year.

First Grade Creamery Butter 1952-53 Production

On March 26, 1953, the Agricultural Prices Support Board was authorized to offer to purchase Canada First Grade Creamery butter from May 1, 1953 through April 30, 1955, on a basis of 58 cents per pound delivered Montreal.

The Board held 19,109,273 pounds of butter at March 31, 1953 out of a total of 30,531,160 pounds of 1952 make butter purchased at 58 cents per pound basis delivery Montreal. The Board resold this butter during 1953 and the early part of 1954 with a total loss on the whole program amounting to \$45,608.40. A small additional loss amounting to \$1,820.81 was also written off in connection with the handling of 1951 make butter.

In the spring and summer months of 1953 the Board purchased 33,857,353 pounds of butter and as at March 31, 1954, held this quantity of butter in store.

Dry Skimmed Milk 1953 Production

On February 19, 1953, the Agricultural Prices Support Board was authorized to offer to purchase up to 10 million pounds of dry skimmed milk, of which not more than 3 million pounds were to be roller process, on the basis of 11.5 cents per pound f.a.s. Montreal for First Grade spray process and 8 cents per pound for First Grade roller process.

As at March 31, 1953, the Board held 1,110,400 pounds of dry skimmed milk and acquired a further 8,865,284 pounds after April 1

for a total of 9,975,684 pounds. This product was all resold in the export market on the basis of feed prices, with the exception of a small quantity released at cost to the Department of External Affairs for flood relief in Japan. The total loss on the resale of this dry skimmed milk at feed prices was \$666,583.67.

Cheddar Cheese 1952-53 Production

On May 26, 1953, the Board was authorized to purchase the balance of the 1952 Canadian cheddar cheese held by the Ontario Cheese Producers' Association Limited on the basis of a price of 30 cents per pound, f.o.b. warehouse, for First Grade cheddar cheese.

The Board purchased 5,516,759 pounds under this arrangement. In disposing of this cheese the Board appointed the Ontario Cheese Producers' Association Limited as its agent to resell this cheese and it had all been sold prior to March 31, 1954, without loss to the Board. A small credit amounting to \$2,345.16 was retained by the Board to take care of any contingencies in connection with handling of this cheese. The Ontario Cheese Producers' Association Limited was also able to add something to their 1952 pool as a result of these sales operations.

On June 1, 1953, the Board offered to purchase Canadian cheddar cheese produced from April to September inclusive on the basis of 30 cents per pound, f.o.b. warehouse, basis delivery October 31, 1953. No cheese was delivered to the Board under this offer and therefore no cost was involved.

Hogs 1952 Marketings

On September 24, 1952, the Agricultural Prices Support Board was authorized to purchase hogs and pork, in whichever form was considered preferable and in accordance with its specifications, after January 1, 1953, on the basis of a price equivalent to \$23 per hundred pounds, warm dressed weight from Grade A carcasses, basis Toronto and Montreal, with appropriate differentials for other principal public stockyards throughout Canada. No purchases were made under this program during 1953-54.

On March 31, 1953, the Board held 13,247,456 pounds of pork cuts, the sale of which was completed in the spring of 1953 mainly in

the domestic market. It also held at that time 73,067,004 pounds of canned pork out of a total of 98,294,076 pounds purchased. During the year up to March 31, 1954, the sale or arrangement for sale of all this product had been completed but on March 31 there was still a small inventory of 2,706,768 pounds to be delivered in accordance with sales arrangements. Of the total quantity of canned pork about two-thirds was sold in Canada and the United States and about one-third was sold off the North American continent.

Up to March 31, 1953, \$7,889,493.73 had been written off as cost of purchase and sale of hogs as hog carcasses, storage cuts, Wiltshire sides and canned pork. During the year 1953-54 a further \$3,042,238.16 was written off as the net cost of handling pork cuts and \$24,803,693.34 was written off in connection with the purchase and sale of canned pork. There will be a further relatively small amount to be written off in 1954-55 after deliveries of canned pork are completed. The total value including handling costs of all the hog carcasses and pork products, totalling about 200 million pounds in quantity, handled during the foot-and-mouth disease outbreak amounted to slightly less than \$100 million with net sales returns to the Board of about \$64 million.

Cattle 1952 Marketings

There was no price support authorized for cattle after the United States embargo due to foot-and-mouth disease was lifted at the beginning of March 1953. The Board, however, still held at March 31, 1953, the following quantities of product: 39 head of live cattle; 14,913,653 pounds of carcass beef; 5,930,184 pounds of boneless beef, 219,114 pounds of canned boneless beef and 26,563 pounds of beef offals. These cattle and beef products were all sold during the year 1953-54, partly to the domestic market, partly to the Department of National Defence for the army and partly to various export markets. A final shipment of a little over 8 million pounds of bone-in carcass beef was made to the United Kingdom in January 1954.

As at March 31, 1953, \$24,208,595.98 had been written off as loss in connection with the purchase and sale of cattle as boneless, carcass, canned boneless beef and other beef products including the exchange sale of New Zealand beef in the United States. A further \$9,200,345.17 was written off for the period up to March 31, 1954.

The total value including handling costs of cattle and beef products, totalling about 95 million pounds in weight, handled during the foot-and-mouth outbreak was approximately \$44 million and the sales returns were about \$10.6 million.

General

1. The Board met to determine Board policy on 31 occasions during the year and in addition met several times to receive delegations from industry groups either to consider proposals for price support or to discuss buying or selling policies in connection with products in which the Board was interested.

2. Throughout its operations the Board, as far as possible, has anticipated probable needs by studying, with the assistance of the Economics Division of the Department of Agriculture, what would appear likely to lead to requests for action. When purchase and selling operations are actually undertaken the commodity divisions of the Department of Agriculture and the Agricultural Products Board are active agents of the Board in carrying out these purchase and sales programs.

3. The General Advisory Committee to the Board, under the chairmanship of H. H. Hannam, President of the Canadian Federation of Agriculture, held regular spring and fall meetings. The Committee covered a wide field in its discussions and at the conclusion of each meeting submitted a limited number of carefully considered recommendations.

Administration

The administration costs of the Board during the year 1953-54 amounted to \$83,662.78 made up as follows:

Salaries	\$68,742.74
Travelling Expenses	13,295.09
Telephones and Telegrams	964.91
Office stationery, supplies and equipment	642.71
Sundries	17.33
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Total	\$83,662.78
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ANNUAL REPORT
THE AGRICULTURAL PRICES SUPPORT BOARD
1954-55



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THE AGRICULTURAL PRICES SUPPORT BOARD

ANNUAL REPORT

TO

THE MINISTER OF AGRICULTURE

FOR THE YEAR

1954-55

Board Members:

A. M. Shaw, Chairman

S. J. Chagnon, Vice-Chairman

A. H. Turner, Secretary-Manager

ANNUAL REPORT 1954-55

THE AGRICULTURAL PRICES SUPPORT BOARD

During the year 1954-55 the Agricultural Prices Support Board carried out price support programs relating to eggs, butter, Nova Scotia apples and hogs. At March 31, 1955, there were inventories of butter and frozen whole egg for which sale had not been arranged.

As indicated in the tabular summary below the total net cost from the start of operations in 1946 to March 31, 1955, was \$83,374,586.71. Of this total about \$70 million was attributable to the losses on the extensive buying and selling programs undertaken for hogs and cattle as an emergency measure during the embargo on the shipment of livestock and livestock products to the United States during the foot-and-mouth disease outbreak from February 25, 1952 to March 1953.

A recoup of losses of \$3,210,928 covering the fiscal year 1954-55 was provided by Parliament in March 1955. The distribution of this recoup was as follows:

Hogs - 1952 canned pork	\$933,721.66
Shell eggs - 1954	117,616.53
Butter - 1952	6,541.51
1953	1,505,939.89
1954	55,861.36
Apples - 1954	601,837.53
	<u>\$3,221,518.48</u>
Credit beef - 1952	- 10,590.48
	<u>\$3,210,928.00</u>

The following products have been assisted under the Act since it became operative in 1946 and the net cost in the case of programs completed in whole or in part, according to production year for the product purchased, was as follows up to March 31, 1955:

<u>PRODUCT</u>	<u>YEAR</u>	<u>NET COST</u>	
1. Potatoes	1946	\$ 170,748.48	
	1948	1,646,739.34	
	1950	<u>218,687.79</u>	\$2,036,175.61
2. Apples	1947	3,119,274.22	
	1948	1,487,882.32	
	1949	1,499,569.40	
	1954	<u>601,837.53</u>	6,708,563.47
3. Dried White Beans	1948		194,419.88
4. Extracted Honey	1948		177,066.42
5. Dry Skimmed Milk	1949	10,820.35	
	1953	<u>666,583.67</u>	677,404.02
6. Cheddar Cheese	1949	157,693.98	
	1951	nil	
	1952	- 2,345.16	
	1953	<u>nil</u>	155,348.82
7. Creamery Butter	1949	1,868,150.72	
	1950	- 456,115.03	
	1951	149,098.86	
	1952	52,149.91	
	1953	1,505,939.89	
	1954	<u>55,861.36</u>	3,175,085.71
8. Shell Eggs	1950	nil	
	1951	1,866.24	
	1952	63,542.45	
	1953	nil	
	1954	<u>117,616.53</u>	183,025.22
9. Hogs	1951	nil	
	1952	36,669,146.89	
	1953	<u>nil</u>	36,669,146.89
10. Cattle	1952-53		<u>33,398,350.67</u>
TOTAL			\$83,374,586.71

In addition to the above products the following purchase and sales programs had not been completed by March 31, 1955, although in the case of canned pork the sale of the product still shown as inventory had been arranged but accounting had not been completed.

In the case of shell eggs 3,054,168 dozen were converted to frozen whole egg for purposes of disposal; 1,899,600 dozen were resold as shell eggs prior to March 31, 1955.

<u>PRODUCT</u>	<u>Quantity Purchased lb.</u>	<u>Stock on Hand March 31, 1955 lb.</u>
11. <u>Shell Eggs</u> - 1954 Production as Frozen Whole Egg	4,953,768 doz.	No shell eggs 3,953,234
12. <u>First Grade Creamery Butter</u> produced in 1954	68,898,830-1/2	50,190,509
13. <u>Hogs 1952</u> as canned pork	98,294,076	14,634

In addition to the above-mentioned products which were given support at levels considered to be in the public interest, although not always as high as desired by producers, the Board rejected applications for price support on potatoes and forage crop seeds and continued to hold in abeyance an application for poultry meats. In the case of potatoes and forage crop seeds, agreements were provided under the Agricultural Products Co-operative Marketing Act. The agreement with respect to 1953 crop potatoes, while all details are not yet complete, will result in a loss of approximately \$5,000,000.

Shell Eggs 1954 Production

Under the 1954 program 215,671 cases of eggs (6,470,130 dozen) were oiled and stored in the spring and early summer of 1954 in accordance with the Board's specifications. The Board took delivery of 3,222,738 dozen of which 168,570 dozen were resold as shell eggs and the balance was processed into frozen whole egg for future sale. The inventory of frozen whole egg as at March 31, 1955 was 3,953,234 pounds. On resale of shell eggs and melange out of these spring storage eggs it was estimated the Board had accepted a loss of \$31,882.18 up to March 31, 1955.

In December 1954, due to the weakness of the export market and the large supply of eggs in Canada, the Board offered to purchase fresh unoiled eggs and some 57,701 cases (1,731,030 dozen) were accepted. These were resold during the early part of 1955 at a net cost to the Board of \$85,734.35.

In December 1954 the Board was authorized to offer to purchase during an appropriate period in 1955 such grades of eggs in such form as the Board may specify, at a price equivalent to 38 cents per dozen for Grade A Large eggs with appropriate price differentials for other grades of eggs and egg product plus an allowance not to exceed five cents per dozen to cover charges associated with storage. Under this program the Board reserves the right, according to its specifications, to require delivery of the eggs at any period that it may designate in 1955 unless the person holding these eggs in storage wishes to give up the opportunity of receiving the price authorized for the purchase of the eggs at the end of the program.

First Grade Creamery Butter 1953-54 Production

As at March 31, 1954 the Board held 33,857,353 pounds of 1953 production butter. At the beginning of May this butter was offered to the trade on the basis of 58 cents per pound less a handling charge for storage butter of 2-1/2 cents per pound and 24,909,375 pounds were sold on this basis through June 1954. At that time the Board ceased to offer 1953 production butter until October, at which time it offered and sold the remainder of the stocks on the basis of 61 cents per pound. The net cost on the resale of 1953 production butter was \$1,505,939.89.

In the spring and summer months of 1954 the Board purchased 68,898,830-1/2 pounds of butter and up to March 31, 1955 had resold 18,708,321-1/2 pounds leaving an inventory stock on hand of 50,190,509 pounds. An estimated loss of \$55,861,36 was recouped in connection with this program for the period up to March 31, 1955.

At the beginning of February 1955 the Board introduced the sale of butter to approved Canadian institutions at a discount of 21 cents per pound.

On March 18, 1955, the Agricultural Prices Support Board was authorized to offer to purchase Canada First Grade Creamery butter from May 1, 1955 through April 30, 1956 on the basis of 58 cents per pound delivered Montreal. This was the same price basis as had been in effect for the previous two-year period.

Nova Scotia Apples 1954 Production

In connection with emergency assistance given as a result of Hurricane Edna the Agricultural Prices Support Board on October 6, 1954, was authorized to offer to purchase sound orchard run apples suitable for processing, produced in Nova Scotia during 1954, at a price of 90 cents per bushel of 45 pounds delivered at designated warehouse, storage, or processing plant in accordance with the Board's specifications.

A total of 1,075,483.4 bushels were purchased and were resold to processors in Nova Scotia at various contract prices depending on utilization for \$380,514.25.

The net cost of this operation after including all items of expense as well as the cost of the apples amounted to \$601,837.53 which was included in the amount recouped by vote of Parliament.

Hogs 1952 Marketings

A support price based on a price equivalent to 23 cents per pound warm dressed weight from Grade A carcasses, basis Toronto and Montreal with appropriate differentials for other principal public stockyards throughout Canada was continued throughout the year. No purchases were made under this program.

A further net cost connected with final sales of canned pork obtained under the 1952 program amounting to \$933,721.66 has been included in the amount recouped. A net credit of \$10,590.48 in connection with final New Zealand beef transactions has also been included. The result of these two inclusions relating to the foot-and-mouth disease means the addition of a further total \$923,131.18 to the net loss attributable to foot-and-mouth disease operations undertaken in 1952 and early 1953.

General

1. The Board met on 23 occasions during the year and in addition met several times to receive delegations from industry groups either to consider proposals for price support or to discuss buying and selling policies in connection with products in which the Board was interested.

2. Throughout its operations the Board, as far as possible, has anticipated probable needs by studying, with the assistance of the Economics Division of the Department of Agriculture, what would appear likely to lead to requests for action. When actual purchase and selling operations are undertaken the commodity divisions of the Department of Agriculture and the Agricultural Products Board are active agents of the Board in carrying out these purchase and sales programs.

3. The General Advisory Committee to the Board, under the chairmanship of H. H. Hannam, President of the Canadian Federation of Agriculture, held regular spring and fall meetings. The Committee covered a wide field in its discussions and at the conclusion of each meeting submitted a limited number of carefully considered recommendations.

Administration

The administration costs of the Board during the year 1954-55 amounted to \$87,589.32 made up as follows:

Salaries	\$71,658.08
Travelling Expenses	14,435.75
Telephones and Telegrams	819.09
Office stationery, supplies and equipment	605.97
Sundries	70.43
Total	<u>\$87,589.32</u>

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CANADA. AGRICULTURAL
SUPPORT BOARD

PRICES

Government
Publications

ANNUAL REPORT

(THE AGRICULTURAL PRICES SUPPORT BOARD)

1955-56



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THE AGRICULTURAL PRICES SUPPORT BOARD

ANNUAL REPORT
TO
THE MINISTER OF AGRICULTURE
FOR THE YEAR
1955-56

Board Members:

A. M. Shaw, Chairman
A. H. Turner, Vice-Chairman and Manager
S. J. Chagnon, Member

ANNUAL REPORT 1955-56

THE AGRICULTURAL PRICES SUPPORT BOARD

During the year 1955-56 the Agricultural Prices Support Board carried out price support programs relating to eggs, butter, potatoes, apples and hogs. At March 31, 1956, there was an inventory of 1955 butter, and potato and apple programs involving supplementary payments on 1955 crops were still to be completed.

As indicated in the tabular summary below the total net cost from the start of operations in 1946 to March 31, 1956, was \$89,196,061.31. Of this total about \$70 million was attributable to the losses on the extensive buying and selling programs undertaken for hogs and cattle as an emergency measure during the embargo on the shipment of livestock and livestock products to the United States during the foot-and-mouth disease outbreak from February 25, 1952 to March 1953.

A recoup of losses amounting to \$5,757,483 was provided by Parliament in March 1956. The distribution of this recoup was as follows:

Canned Pork - 1952	\$	4,747.18	
Shell Eggs - 1954		428,652.34	
1955		61,516.83	
Butter - 1953		1,000.74	
1954		5,302,299.95	
Total			\$5,798,217.04
<u>Less Credits</u>			
Beef - 1952		40,334.81	
Apples - 1954		399.23	40,734.04
			<u>\$5,757,483.00</u>

In addition the summary following includes a balance of known losses on 1954 butter of \$63,991.60.

The following products have been assisted under the Act since it became operative in 1946 and the net cost in the case of programs completed, according to production year for the product purchased, was as follows up to March 31, 1956:

<u>PRODUCTS</u>	<u>YEAR</u>	<u>NET COST</u>	
1. Potatoes	1946	\$ 170,748.48	
	1948	1,646,739.34	
	1950	<u>218,687.79</u>	\$ 2,036,175.61
2. Apples	1947	3,119,274.22	
	1948	1,487,882.32	
	1949	1,499,569.40	
	1954	<u>601,438.30</u>	6,708,164.24
3. Dried White Beans	1948		194,419.88
4. Extracted Honey	1948		177,066.42
5. Dry Skimmed Milk	1949	10,820.35	
	1953	<u>666,583.67</u>	677,404.02
6. Cheddar Cheese	1949	157,693.98	
	1951	nil	
	1952	- 2,345.16	
	1953	<u>nil</u>	155,348.82
7. Creamery Butter	1949	1,868,150.72	
	1950	- 456,115.03	
	1951	149,098.86	
	1952	52,149.91	
	1953	1,506,940.63	
	1954	<u>5,422,152.91</u>	8,542,378.00
8. Shell Eggs	1950	nil	
	1951	1,866.24	
	1952	63,542.45	
	1953	nil	
	1954	546,268.87	
	1955	<u>61,516.83</u>	673,194.39
9. Hogs	1951	nil	
	1952	36,673,894.07	
	1953	<u>nil</u>	36,673,894.07
10. Cattle	1952-53		<u>33,358,015.86</u>
		TOTAL	\$89,196,061.31

No costs were included in the above summary for potatoes, apples and 1955 butter since these programs were not complete as at March 31, 1956. However, some information up to March 31, 1956, concerning these programs is included in the detailed sections of the report.

Inventory as at March 31, 1956, was as follows:

<u>PRODUCT</u>	<u>Quantity Purchased</u> (lb)	<u>Stock on Hand March 31, 1956</u> (lb)
11. <u>First Grade Creamery Butter</u>		
Produced in 1955	62,990.606	54,712,239

In addition to the above mentioned products which were given support, the Board considered other proposals, mainly related to diversification of supports in the dairy industry, but up to March 31, 1956 no action was considered necessary except to continue to support the price of First Grade Creamery Butter.

Shell Eggs 1954 and 1955 Production

At March 31, 1955, the Board still held an inventory of 3,953,234 pounds of frozen whole eggs which it had processed from shell eggs purchased in the 1954 production season. This was disposed of by tender in the domestic market during the year at an additional loss to the Board of \$428,652.34.

Under the 1955 program 201,772 cases (6,053,160 dozen) of shell eggs were oiled and stored in the spring and early summer of 1955 in accordance with the Board's specifications. The Board took delivery of 1,289,340 dozen which were all resold as shell eggs at a loss to the Board of \$61,516.83.

In December 1955 the Board was authorized to offer to purchase during an appropriate period in 1956 such grades of eggs in such form as the Board may specify at a price equivalent to 38 cents per dozen for Grade A Large eggs with appropriate price differentials for other grades of eggs and egg product plus an allowance not to exceed five cents per

dozen to cover charges associated with storage. Due to the strength of the egg market in 1956 the Board did not find it necessary to specify that it would support other than Grade A Large eggs under this program.

Under this program the Board reserves the right, according to its specifications, to require delivery of the eggs at any period that it may designate in 1956 unless the person holding these eggs in storage wishes to give up the opportunity of receiving the price authorized for the purchase of the eggs at the end of the program.

First Grade Creamery Butter 1954-55 Production

As at March 31, 1955, the Board held 50,190,509 pounds of butter made in 1954. At the beginning of May 1955 this butter was offered to the trade on the basis of 58 cents per pound less a handling charge for storage butter of two cents per pound and approximately 10 million pounds were sold on this basis up to June 30, 1955. At that time the Board ceased to offer 1954 production butter until the beginning of August 1955 at which time it offered and sold the remainder of the stocks of 1954 butter on the basis of 58 cents per pound with the exception of approximately 9 million pounds which were exported.

With respect to these exports the Board in December 1954 had indicated they were willing to consider offers for export. In June 1955 an experimental shipment of approximately 300,000 pounds of unsalted butter was sold by a Canadian trader for export. The price received by the Board was approximately 37 cents per pound Montreal basis 1954 salted butter. Further export deals for 1954 salted butter were completed in the latter part of 1955 and early 1956 at prices ranging from 37 to 39 cents per pound f. a. s. Canadian seaboard. The total quantity involved was approximately 9 million pounds.

In February 1955 the Board had offered to approved Canadian institutions a rebate or discount of 21 cents per pound on First Grade creamery butter purchased by them. This program ran throughout the year and up to March 31, 1956, had cost \$1,427,930 representing discount and charges on about 6.7 million pounds. A study of these sales in February 1956 as compared with the month prior to the entry of the institutions into the plan indicated, based on reports made by these institutions, that there had been an approximate increase of 9 per cent in the consumption of butter by these institutions during the period.

The total loss on 1954 butter sales by the Board was \$5,422,152.91 including \$55,861.36 shown in the accounts up to March 31, 1955, \$5,302,299.95 included for recoup in the March supplementaries and a balance of \$63,991.60 carried forward into the current fiscal year.

During the year 1955 the Board purchased 62,990,606 pounds of 1955 make butter which was offered for sale in late February 1956 on the basis of 58 cents per pound, following the disposal of the final supplies of 1954 make butter. Up to March 31, 1956, 8,278,367 pounds of 1955 make butter had been sold. No estimate of cost has been made since this sales program will not be completed until late in the fiscal year 1956-57.

On March 22, 1956, the Agricultural Prices Support Board was authorized to offer to purchase Canada First Grade creamery butter from May 1, 1956 through April 30, 1958, on the basis of 58 cents per pound delivered Montreal. This is the same price as had been in effect for the previous one-year period but was now extended for a two-year period as had been done in earlier years.

Nova Scotia Apples 1955 Production

In the fall of 1955 Nova Scotia apple growers approached the Board for assistance and after discussions in which certain proposed plans were rejected the Government on January 5, 1956, with amendment on March 29, 1956, authorized the Board to make up the difference between the average price for apples of Fancy grade or better delivered warehouse in Nova Scotia and one cent per pound to producers in Nova Scotia on the basis of six varieties named as follows: Gravenstein, McIntosh, Cortland, Wagener, Spy and King. It was indicated in the press announcement that if any other province could show that their growers received an average price for a number of dessert varieties of Fancy grade or better below one cent per pound delivered warehouse, similar to Nova Scotia, the Government would consider a further authorization for such provinces. Actual costs in connection with the 1955 apple production program were not incurred by the Board in the fiscal year ending March 31, 1956.

A further revenue return of \$399.23 was received. This represented an adjustment in the accounts of the 1954 Nova Scotia apple price support program.

Potatoes 1955 Production

Following representations by the Maritime potato growers, the Board was authorized on January 5, 1956, to make up the difference between the price paid by the starch factories and \$1 per barrel for Canada No. 1 potatoes (by amendment dated March 15, 1956, including up to 12 per cent Canada No. 1 Small). Potato prices improved substantially from the time this program was put into effect and there were few deliveries under the program (approximately 9,000 barrels), up to March 31, 1956. The costs of this program were carried forward into the 1956-57 fiscal year so that the total cost could be considered when the program was completed.

Hogs and Cattle 1952 Marketings

A support price for hogs equivalent to 23 cents per pound warm dressed weight from Grade A carcasses, basis Toronto and Montreal with appropriate differentials for other principal public stockyards throughout Canada was continued throughout the year. No purchases were made under this program.

A cost item connected with the final sale of canned pork under the 1952 program and amounting to \$4,747.18 has been added to the net losses for that program during the year.

A revenue item of \$40,334.81, representing adjustments with respect to claims on the sale of New Zealand beef in the United States relating to the 1952-53 cattle price support program has been taken into the accounts for that program during the fiscal year ending March 31, 1956.

General

1. The Board met on 27 occasions during the year and in addition met several times to receive delegations from industry groups either to consider proposals for price support or to discuss buying and selling policies in connection with products in which the Board was interested.

2. Throughout its operations the Board, as far as possible, has anticipated probable needs by studying, with the assistance of the Economics Division of the Department of Agriculture, what would appear likely to

lead to requests for action. When actual purchase and selling operations are undertaken the commodity divisions of the Department of Agriculture and the Agricultural Products Board are active agents of the Board in carrying out these purchase and sales programs.

3. The General Advisory Committee to the Board, under the chairmanship of H. H. Hannam, President of the Canadian Federation of Agriculture, held regular spring and fall meetings. The Committee covered a wide field in its discussions and at the conclusion of each meeting submitted a limited number of carefully considered recommendations.

Administration

The administration costs of the Board during the year 1955-56 amounted to \$64,731.37 made up as follows:

Salaries	\$53,490.02
Travelling Expenses	9,406.41
Telephones and Telegrams	636.43
Office stationery, supplies and equipment	1,159.52
Sundries	<u>70.43</u>
Total	<u><u>\$64,731.37</u></u>

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Canada. Agricultural Price Support Board

Government
Publications

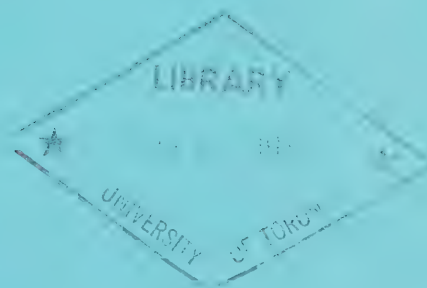
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THE AGRICULTURAL PRICES SUPPORT BOARD

ANNUAL REPORT
TO
THE MINISTER OF AGRICULTURE
FOR THE YEAR
1956-57



Board Members:

A. M. Shaw, Chairman
A. H. Turner, Vice-Chairman and Manager
S. J. Chagnon, Member

281
-551
-155

ANNUAL REPORT 1956-57

THE AGRICULTURAL PRICES SUPPORT BOARD

During the year 1956-57 the Agricultural Prices Support Board carried out, or was in the process of carrying out at the end of March 1957, price support programs relating to shell eggs, creamery butter, dry skimmed milk, evaporated milk, whole milk powder and condensed milk, apples, potatoes and hogs. At March 31, 1957, there was an inventory of 1956 butter and of Grade A Large eggs stored to the Board's specifications or purchased by the Board in the first part of 1957.

As indicated in the tabular summary below the total net cost from the start of operations in 1946 to March 31, 1957, was \$94,084,716.91. Of this total, about \$70 million was attributable to the losses on the extensive buying and selling programs undertaken for hogs and cattle as an emergency measure following the embargo on the shipment of livestock and livestock products to the United States during the foot-and-mouth disease outbreak from February 25, 1952 to March 1953.

The estimated net cost of operations for the year ended March 31, 1957, as recouped by Vote of Parliament, was \$5,019,100. The distribution of this recoup was as follows:-

Potatoes, 1955	\$ 4,830.77
Apples, 1955	181,738.21
Butter, 1954	183,107.17
1955	4,158,547.46
1956	435,947.79
Shell Eggs, 1954	54,928.60
Total	<hr/> 5,019,100.00

Of the amount written off for 1954 butter \$66,452.80 was previously credited as profit at March 31, 1955 and \$63,991.60 had been included in the previous summary, thus leaving a net increase in the summary of costs on all programs for the year amounting to \$4,888,655.60. In addition it is known that there will be further costs relating to the 1956 butter price support program and the 1956-57 egg programs, but as these programs were not complete, only a part of the cost of the 1956 butter program has been included and no estimate has been made of the 1956-57 egg programs but it is known that losses will be heavy.

The following products have been assisted under the Agricultural Prices Support Act since it became operative in 1946 and the net cost in the case of programs completed, according to production year for the product purchased, was as follows up to March 31, 1957:-

	<u>PRODUCTS</u>	<u>YEAR</u>		
1.	Potatoes	1946	\$ 170,748.48	
		1948	1,646,739.34	
		1950	218,687.79	
		1955	<u>4,830.77</u>	\$ 2,041,006.38
2.	Apples	1947	3,119,274.22	
		1948	1,487,882.32	
		1949	1,499,569.40	
		1954	601,438.30	
		1955	<u>181,738.21</u>	6,889,902.45
3.	Dried White Beans	1948		194,419.88
4.	Extracted Honey	1948		177,066.42
5.	Dry Skimmed Milk	1949	10,820.35	
		1953	<u>666,583.67</u>	677,404.02
6.	Cheddar Cheese	1949	157,693.98	
		1951	nil	
		1952	-2,345.16	
		1953	<u>nil</u>	155,348.82
7.	Creamery Butter	1949	1,868,150.72	
		1950	- 456,115.03	
		1951	149,098.86	
		1952	52,149.91	
		1953	1,506,940.63	
		1954	5,474,815.68	
		1955	4,158,547.46	
		1956	<u>435,947.79</u>	13,189,536.02
				<u>23,324,683.99</u>

				<u>Forward</u>
8.	Shell Eggs	1950	nil	\$23, 324, 683. 99
		1951	1, 866. 24	
		1952	63, 542. 45	
		1953	nil	
		1954	601, 197. 47	
		1955	<u>61, 516. 83</u>	728, 122. 99
9.	Hogs	1951	nil	
		1952	36, 673, 894. 07	
		1953	<u>nil</u>	36, 673, 894. 07
10.	Cattle	1952-53		<u>33, 358, 015. 86</u>
			TOTAL	\$94, 084, 716. 91

The inventory at March 31, 1957 was:-

Grade A Large Eggs	-	59,094 cases (1,772,820 dozen) owned by the trade and stored to the Board's specifications.
	-	150,488 cases (4,514,640 dozen) owned by the Board under its own account.

First Grade Creamery Butter	29,638,010 lb.
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In addition to the above mentioned products which were given support, the Board considered proposals for price support on sugar beets and turkeys but up to March 31, 1957, no additional action had been considered necessary.

Details of the commodity programs are given in the following sections.

Shell Eggs

Under the 1956 program 29,442 cases (883,260 dozen) of shell eggs were oiled and stored in the spring and early summer of 1956 in accordance with the Board's specifications. The Board offered to purchase these at the end of June and as none were offered, there was no cost for the spring produced eggs in 1956.

In 1956 heavy egg production started in November and the Board advised that up to the end of November it would, if necessary, provide some protection for Grade A Medium but that after December 1 the Board would only take action with respect to Grade A Large since an export market for some quantity of Grade A Medium had developed.

The Board purchased 7,390 cases (221,700 dozen) of Grade A Large unoled eggs in December and continued this program into the first month of 1957, purchasing a further 50,752 cases (1,522,560 dozen) of Grade A Large unoled eggs. These eggs were offered for resale both for breaking and on a regraded basis for the fresh egg market. About 14,410 cases (432,300 dozen) remained at March 31. The Board expects to take a loss of close to \$100,000 on this phase of the program.

In December 1956 the Board was authorized to offer to purchase during an appropriate period in 1957 such grades of eggs in such form as the Board may specify, at a price equivalent to 38 cents per dozen for Grade A Large eggs with appropriate price differentials for other grades of eggs and egg product plus an allowance not to exceed five cents per dozen to cover charges associated with storage.

Under this program the Board purchased unoled eggs for a period of two to three weeks in January 1957, as described above. Then a program was started similar to that carried out in previous years, whereby the trade oiled, retained ownership and stored to the Board's specifications. However, within a week or two it was evident the producer was not likely to get the protection this program had previously afforded so the Board offered to buy outright, Grade A Large eggs oiled and stored to their specifications. At March 31 there were 59,094 cases (1,772,820 dozen) owned by the trade and stored to the Board's specifications, and 150,488 cases (4,514,640 dozen) owned by the Board under its own account.

At the end of March, the Board was also considering supporting the Grade B egg market when heavy supplies appeared in April.

Adjustments of \$54,928.60 were made with respect to sales of frozen whole egg made from 1954 eggs because of deterioration in quality.

Creamery Butter

At March 31, 1956, the Board held 54,712,239 pounds of 1955 make creamery butter. Towards the end of May, the Board offered butter out of these stocks to the trade on the basis of 58 cents per pound less a handling charge of two cents per pound, along with certain guarantees relating to delivery and regrading dates, provided the buyer offered to buy on a specified date in June and placed an appropriate deposit with the Board. The Board sold approximately 25,000,000 pounds of butter on this basis with delivery dates up to August 15. During this period, the Board continued to offer to buy current make butter on the basis of 58 cents per pound.

Following this sale the Board did not offer to sell butter until the end of September, at which time it again offered butter for sale on the basis of 58 cents per pound.

The Board exported less than 135,000 pounds at 40 cents per pound during the year, but continued to provide approved Canadian institutions with a rebate of 21 cents per pound on butter purchased for use by them. During the fiscal year, this program of sales to institutions cost \$1,582,311 representing approximately 7.53 million pounds of butter.

The total cost of the 1955 butter program was not known at March 31, 1957, since there was still 467,781 pounds of continuous make butter not sold, although arrangements had been made for its sale. The cost up to March 31, 1957, with respect to 67,531,825 pounds was \$4,158,547.46.

During 1956 the Board purchased 64,431,996 pounds of butter which was offered for sale starting in January 1957 when the bulk of the 1955 butter owned by the Board had been sold. Some 34,793,986 pounds were sold on the price basis of 58 cents per pound through March 31, 1957, leaving stocks on hand at that date of 29,638,010 pounds. A partial cost of this operation has been included in the recoup amounting to \$435,947.79.

An additional cost of \$52,662.77, as well as \$63,991.60 not provided for in connection with the purchase and sale of 1954 butter, is included in the recoup. A profit of \$66,452.80 included at March 31, 1955, has also been written off, or a total of \$183,107.17 chargeable to 1954 butter operations.

Towards the end of the year some representations were made to have butter price support raised, but no action was taken.

Dry Skimmed Milk

On March 19, 1957, the Board was authorized to offer to buy dry skimmed milk on the basis of 17 cents per pound for spray process and 14 cents per pound for roller process, packed in accordance with Board specifications, with delivery points throughout Canada. No purchases were made up to March 31, 1957.

Other Concentrated Milk Products

On March 19, 1957, the Board was authorized to offer to purchase evaporated milk, whole milk powder and condensed milk if it seemed necessary. No purchases were made up to March 31, 1957.

Hogs

A support price for hogs equivalent to 23 cents per pound warm dressed weight from Grade A carcasses, basis Toronto and Montreal, with appropriate differentials for other principal public stockyards throughout Canada was continued throughout the year. No purchases were made under this program.

Apples

On March 29, 1956, the Board was authorized to make up the difference between the average price for Fancy grade or better apples delivered warehouse in Nova Scotia and one cent per pound to producers in Nova Scotia. Six varieties were to be included as follows - Gravenstein, McIntosh, Cortland, Wagener, Spy and King. The cost of this program amounted to \$181,738.21.

During the year British Columbia apple growers and some groups of apple growers from Ontario also sought assistance on the 1955 crop, but this was not provided since the average price of apples to growers in Ontario was about 66 cents per bushel and in British Columbia it was over 70 cents per bushel as compared with an overall return in Nova Scotia,

after including the above payment, of approximately 40 cents per bushel, about the same as Quebec.

Potatoes

On January 5, 1956, the Board was authorized to make up the difference between the price paid by the starch factories and \$1 per barrel for Canada No. 1 potatoes (by amendment on March 15, 1956, this could include up to 12 per cent Canada No. 1 Small).

Prices improved substantially in the consumer market and this program cost the Government a total of \$4,830.77.

General

The Board met on thirty occasions during the year and in addition met several times to receive delegations from industry groups, either to consider proposals for price support or to discuss buying and selling policies in connection with products in which the Board was interested.

Throughout its operations the Board, as far as possible, has anticipated probable needs by studying, with the assistance of the Economics Division of the Department of Agriculture, what could appear likely to lead to requests for action. When actual purchase and selling operations are undertaken, the commodity divisions of the Department of Agriculture and the Agricultural Products Board are active agents of the Board in carrying out these purchase and sales programs.

The General Advisory Committee to the Board, under the chairmanship of H. H. Hannam, President of the Canadian Federation of Agriculture, held regular spring and fall meetings. The Committee covered a wide field in its discussions and at the conclusion of each meeting submitted a limited number of carefully considered recommendations.

Administration

The administration costs of the Board during the year 1956-57 amounted to \$75,710.44 made up as follows:

Salaries	\$62,155.27
Travelling Expenses	10,254.01
Telephones and Telegrams	726.77
Office stationery, supplies and equipment	1,543.16
Sundries	1,031.23
Total	<u>\$75,710.44</u>



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